OFFICIAL STATEMENT DATED JANUARY 9, 2025

IN THE OPINION OF BOND COUNSEL (HEREIN DEFINED), 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 THE OPINION OF BOND COUNSEL.

The Bonds have not been designated as "qualified tax-exempt obligations" for financial institutions.

NEW ISSUE – Book-Entry-Only

S&P Global Ratings (AG Insured) .... "AA"
Moody's Investors Service, Inc. (AG Insured).................................... "A1"
Moody's Investors Service, Inc. (Underlying) .... "Baa1"
See "MUNICIPAL BOND INSURANCE" and "RATINGS" herein.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 55

(A Political Subdivision of the State of Texas, located within Brazoria County)

$17,965,000
Unlimited Tax Bonds
Series 2025

Dated: February 1, 2025

Interest Accrues from: Date of Delivery **Due: September 1, as shown on inside cover**

The $17,965,000 Unlimited Tax Bonds, Series 2025 (the "Bonds") are obligations of Brazoria County Municipal Utility District No. 55 (the "District") and are not obligations of the State of Texas; Brazoria County, Texas; the City of Iowa Colony, Texas; or any political subdivision or entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Brazoria County, Texas; the City of Iowa Colony, Texas; nor any entity other than the District is pledged to the payment of the principal of or the interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/ registrar, initially, BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). The Bonds will be dated February 1, 2025, and interest on the Bonds accrues from the date of delivery which is expected to be on or about February 13, 2025 (the "Date of Delivery"), with interest payable on September 1, 2025, and on each March 1 and September 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or prior redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to registered owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date. The Bonds are fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

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/Registrar 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."

See "PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES AND INITIAL REOFFERING YIELDS" on inside cover page.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY INC.**

ASSURED GUARANTY®

The Bonds are the eighth series of bonds issued by the District out of an aggregate $110,360,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and drainage facilities to serve the District (the "Utility System") and for the refunding of such bonds. The voters of the District have also authorized the issuance of $41,170,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities to serve the District (the "Park System") and for the refunding of such bonds and $38,200,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System") and for the refunding of such bonds. Following the issuance of the Bonds, $43,840,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds; no principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System and for the refunding of such bonds; and $41,170,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Park System and for the refunding of such bonds will remain authorized but unissued. See "THE BONDS – Authority for Issuance."

The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein. See "THE BONDS – Source of Payment." Investment in the Bonds is subject to special investment considerations as described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered when, as and if issued by the District and accepted by the winning bidders for the Bonds (the "Initial Purchaser"), and subject to the approval of the Attorney General of Texas and of Allen Boone Humphries Robinson LLP, Bond Counsel. Certain legal matters will be passed on for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel. Delivery of the Bonds is expected on or about February 13, 2025.

PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES AND INITIAL REOFFERING YIELDS

$17,965,000 Unlimited Tax Bonds, Series 2025

$15,540,000 Serial Bonds

Maturity September 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 10608M (b)	Maturity September 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 10608M (b)
2031 (c)	$ 550,000	5.000%	3.550%	RM0	2041 (c)	$ 830,000	4.000%	4.230%	RX6
2032 (c)	570,000	4.000%	3.600%	RN8	2042 (c)	865,000	4.000%	4.270%	RY4
2033 (c)	595,000	4.000%	3.650%	RP3	2043 (c)	905,000	4.000%	4.330%	RZ1
2034 (c)	620,000	4.000%	3.700%	RQ1	2044 (c)	940,000	4.125%	4.380%	SA5
2035 (c)	650,000	4.000%	3.850%	RR9	2045 (c)	980,000	4.125%	4.430%	SB3
2036 (c)	675,000	4.000%	3.950%	RS7	2046 (c)	1,025,000	4.250%	4.480%	SC1
2037 (c)	705,000	4.000%	4.050%	RT5	2047 (c)	1,065,000	4.250%	4.520%	SD9
2038 (c)	735,000	4.000%	4.080%	RU2	2048 (c)	1,110,000	4.250%	4.550%	SE7
2039 (c)	765,000	4.000%	4.130%	RV0	2049 (c)	1,160,000	4.250%	4.570%	SF4
2040 (c)	795,000	4.000%	4.180%	RW8					

$2,425,000 Term Bonds

$2,425,000 Term Bond Due September 1, 2030 (d), Interest Rate: 5.000% (Price: $104.201) (a), CUSIP No. 10608M RL2 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser. Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first call date.

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds.

(c) Bonds maturing on September 1, 2031, and thereafter, shall be subject to redemption and payment at the option of the District, in whole, or from time to time in part, on February 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption of the Bonds – *Optional Redemption*."

(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 BONDS – Redemption of the Bonds – *Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. 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 such information actually comes to its attention, the other matters described in this Official Statement, until delivery of the Bonds to the Initial Purchaser and thereafter only as specified in "OFFICIAL STATEMENT – Updating of Official Statement" and "CONTINUING DISCLOSURE OF INFORMATION."

Assured Guaranty Inc. ("AG") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX B – Specimen Municipal Bond Insurance Policy."

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

TABLE OF CONTENTS

USE OF INFORMATION IN OFFICIAL STATEMENT 1
SALE AND DISTRIBUTION OF THE BONDS 3
- Award of the Bonds 3
- Prices and Marketability 3
- Securities Laws 3

MUNICIPAL BOND INSURANCE 3
- Bond Insurance Policy 3
- Assured Guaranty Inc. 3

RATINGS 5
OFFICIAL STATEMENT SUMMARY 6
INTRODUCTION 12
THE BONDS 12
- General 12
- Book-Entry-Only System 12
- Successor Paying Agent/Registrar 14
- Registration, Transfer and Exchange 14
- Redemption of the Bonds 14
- Mutilated, Lost, Stolen or Destroyed Bonds 15
- Authority for Issuance 15
- Outstanding Bonds 15
- Short-Term Debt 16
- Issuance of Additional Debt 16
- Source of Payment 16
- Funds 17
- No Arbitrage 17
- Defeasance 17
- Legal Investment and Eligibility to Secure Public Funds in Texas 18
- Registered Owners' Remedies 18
- Use and Distribution of Proceeds of the Bonds 19

THE DISTRICT 20
- Authority 20
- Description 20
- Management of the District 20
- Investment Policy 20

DEVELOPMENT OF THE DISTRICT 21
- Status of Development within the District 21
- Consultants 22

SHARED FINANCING AGREEMENT 23
PRINCIPAL LANDOWNERS/DEVELOPER 24
- Role of the Developer 24
- Principal Landowner/Developer 24
- Homebuilders within the District 24

THE UTILITY SYSTEM 24
- Regulation 24
- Water, Sanitary Sewer and Drainage System 25
- 100-Year Flood Plain 25

THE ROAD SYSTEM 25
- General Fund Operating Statement 26

AERIAL PHOTOGRAPH OF THE DISTRICT 27
PHOTOGRAPHS TAKEN WITHIN THE DISTRICT 28
PHOTOGRAPHS TAKEN WITHIN THE DISTRICT 29
DISTRICT DEBT 30

Debt Service Requirement Schedule 30
Bonded Indebtedness 31
Estimated Direct and Overlapping Debt Statement 32
Debt Ratios 32
TAXING PROCEDURES 32
Authority to Levy Taxes 32
Property Tax Code and County-Wide Appraisal District 32
Property Subject to Taxation by the District 33
Tax Abatement 34
Valuation of Property for Taxation 34
District and Taxpayer Remedies 35
Levy and Collection of Taxes 35
Tax Payment Installments After Disaster 35
Rollback of Operation and Maintenance Tax Rate 36
District's Rights in the Event of Tax Delinquencies 36
TAX DATA 37
General 37
Tax Rate Limitation 37
Maintenance Tax 37
Additional Penalties 37
Tax Rate Calculations 38
Estimated Overlapping Taxes 38
Historical Tax Collections 38
Tax Rate Distribution 39
Assessed Taxable Valuation Summary 39
Principal Taxpayers 39
INVESTMENT CONSIDERATIONS 40
General 40
Effects of Hurricane Harvey 40
Potential Effects of Oil Price Declines on the Houston Area 40
Factors Affecting Taxable Values and Tax Payments 40
Competitive Nature of Residential Housing Market 41
Tax Collection Limitations 41
Registered Owners' Remedies and Bankruptcy 41
Marketability 42
Future Debt 42
Continuing Compliance with Certain Covenants 42
Environmental Regulations 42
Changes in Tax Legislation 44
Extreme Weather Events 44
Potential Impact of Natural Disaster 45
Specific Flood Type Risks 45
Ongoing Negotiations with the City 45
Approval of the Bonds 45
Bond Insurance Risk Factors 45
LEGAL MATTERS 46
Legal Opinions 46
No-Litigation Certificate 47
No Material Adverse Change 47
TAX MATTERS 47
Tax Accounting Treatment of Original Issue Discount Bonds 48
Not Qualified Tax-Exempt Obligations 48
CONTINUING DISCLOSURE OF INFORMATION 48
Annual Reports 48
Event Notices 49
Availability of Information from EMMA 49
Limitations and Amendments 49
Compliance with Prior Undertakings 50
OFFICIAL STATEMENT 50
General 50
Experts 50
Certification as to Official Statement 50
Updating of Official Statement 50
CONCLUDING STATEMENT 51

APPENDIX A - FINANCIAL STATEMENTS OF THE DISTRICT

APPENDIX B – SPECIMEN MUNICIPAL BOND INSURANCE POLICY

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid of SAMCO Capital Markets, Inc. (the "Initial Purchaser") to purchase the Bonds at the interest rates shown on the inside cover page of this Official Statement at a price of 97.000000% of par, resulting in a net effective interest rate to the District of 4.357174%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended. No assurance can be given that any trading market will be developed for the Bonds after their sale by the District to the Initial Purchaser. The District has no control over the price at which the Bonds are subsequently sold, and the initial yields at which the Bonds are priced and reoffered are established by and are the sole responsibility of the Initial Purchaser.

Prices and Marketability

Subject to certain hold-the-offering-price requirements described in the Official Notice of Sale, the District has no control over the reoffering yields or prices of the Bonds or over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked prices of the Bonds may be greater than the difference between the bid and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

Subject to certain hold-the-offering-price requirements described in the Official Notices of Sale, the prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THIS OFFERING, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH 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 (the “SEC”) 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.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. (“AG”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On October 18, 2024, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AG

At September 30, 2024:

- The policyholders' surplus of AG was approximately $3,644 million.
- The contingency reserve of AG was approximately $1,374 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,438 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG, and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (filed by AGL with the SEC on February 28, 2024);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024);

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (filed by AGL with the SEC on August 8, 2024); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 (filed by AGL with the SEC on November 12, 2024).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8 K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "MUNICIPAL BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "MUNICIPAL BOND INSURANCE."

RATINGS

The Bonds are expected to receive an insured rating of "AA" (stable outlook) from S&P solely in reliance upon the issuance and delivery of the Policy by AG at the time of delivery of the Bonds. An explanation of the ratings of S&P may only be obtained from S&P. S&P is located at 55 Water Street, New York, New York 10041, telephone number (212) 208-8000 and has engaged in providing ratings for corporate bonds since 1923 and municipal bonds since 1940. Long-term debt ratings assigned by S&P reflect its analysis of the overall level of credit risk involved in financings. At present, S&P assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest rating). The ratings express only the view of S&P 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 such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant.

The Bonds are expected to receive an insured rating of "A1" (stable outlook) from Moody's solely in reliance upon the issuance and delivery of the Policy by AG at the time of delivery of the Bonds. Moody's has assigned an underlying rating of "Baa1" to the Bonds. An explanation of the ratings may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The District is not aware of any rating assigned to the Bonds other than the ratings discussed above.

[*Remainder of this page intentionally left blank.*]

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The summary should not be detached and should be used in conjunction with the more complete information contained herein. A full review should be made of this entire Official Statement and of the documents summarized or described herein.

THE BONDS

The District	Brazoria County Municipal Utility District No. 55 (the "District"), a political subdivision of the State of Texas, is located in Brazoria County, Texas. See "THE DISTRICT."
The Bonds	The $17,965,000 Unlimited Tax Bonds, Series 2025 (the "Bonds") are dated February 1, 2025, and accrue interest from the date of delivery which is expected to be on or about February 13, 2025 (the "Date of Delivery"), with interest payable on September 1, 2025, and on each March 1 and September 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or prior redemption. The Bonds mature serially on September 1 in the years and in the principal amounts set forth on the inside cover page. See "THE BONDS."
Redemption of the Bonds	The Bonds that mature on or after September 1, 2031, are subject to redemption, in whole or from time to time in part, on February 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption of the Bonds – *Optional Redemption*." The Bonds maturing on September 1, 2031, through September 1, 2049, both inclusive, are serial bonds. The Bond maturing on September 1 in the year 2030 is a term bond, which has mandatory redemption provisions set out herein under "THE BONDS – Redemption of the Bonds – *Mandatory Redemption*."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (herein defined) thereof. Principal of and interest on the Bonds will be payable by BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."
Authority for Issuance	The Bonds are the eighth series of bonds issued by the District out of an aggregate $110,360,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and drainage facilities to serve the District (the "Utility System") and for the refunding of such bonds. Following the issuance of the Bonds, $43,840,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds; no principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System") and for the refunding of such bonds; and $41,170,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities to serve the District (the "Park System") and for the refunding of such bonds will remain authorized but unissued. See "THE BONDS – Authority for Issuance." The Bonds are issued pursuant to: an order of the Texas Commission on Environmental Quality (the "TCEQ"); the general laws of the State of Texas,

	including Chapters 49 and 54 of the Texas Water Code, as amended, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution; a resolution adopted by the Board of Directors of the District (the “Board”) on the date of sale of the Bonds (the “Bond Resolution”); and an election held within the boundaries of the District on November 3, 2009.
Source of Payment	The District is authorized to levy taxes to pay debt service on bonds issued for the Utility System, the Park System, and the Road System, and such taxes are unlimited as to rate or amount. The Bonds are payable from a continuing direct annual ad valorem tax, unlimited as to rate or amount, levied against all taxable property within the District. The Bonds are obligations of the District and are not obligations of the State of Texas; Brazoria County, Texas; the City of Iowa Colony, Texas; or any entity other than the District. See “THE BONDS – Source of Payment.”
Outstanding Bonds	The District has previously issued seven (7) series of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds, in an aggregate par amount of $48,555,000. The District has also previously issued eight (8) series of unlimited tax bonds for the purpose of acquiring or constructing the Road System and for the refunding of such bonds, in an aggregate par amount of $38,200,000. As of the Date of Delivery, $45,160,000 principal amount of such previously issued unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds remains outstanding (the “Outstanding Utility Bonds”). As of the Date of Delivery, $35,485,000 principal amount of such previously issued unlimited tax bonds for the purpose of acquiring or constructing the Road System and for the refunding of such bonds remains outstanding (the “Outstanding Road Bonds,” and together with the Outstanding Utility Bonds, the "Outstanding Bonds"). See “THE BONDS – Outstanding Bonds” and “THE BONDS – Authority for Issuance.”
Payment Record	The District has never defaulted on the timely payment of debt service on its bonded indebtedness.
Short-Term Debt	The District issued its $9,160,000 Bond Anticipation Note, Series 2024 (the “BAN”), dated June 5, 2024. The BAN matures on June 4, 2025, and accrues interest at a rate of 4.84% per annum, calculated on the basis of 365-day year. The District will use a portion of the proceeds from the sale of the Bonds to redeem the BAN prior to its maturity. Proceeds from the BAN were used to reimburse the Developer (herein defined) for a portion of the improvements and related costs shown under “THE BONDS – Use and Distribution of Proceeds of the Bonds.” See “THE BONDS – Short-Term Debt.”
Use of Proceeds of the Bonds	Proceeds of the sale of the Bonds will be used by the District to redeem the BAN, the proceeds of which were used to reimburse the Developer for a portion of the improvements and related costs shown under “THE BONDS – Use and Distribution of Proceeds of the Bonds.” Additionally, proceeds from the sale of the Bonds will also be used to reimburse the Developer for the improvements and related costs that were not reimbursed by the BAN and to pay: developer interest; BAN interest; and other certain costs associated with the issuance of the Bonds. See “THE BONDS – Use and Distribution of Proceeds of the Bonds.”
NOT Qualified Tax-Exempt Obligations	The Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.
Municipal Bond Insurance	ASSURED GUARANTY INC. (“AG”). See “MUNICIPAL BOND INSURANCE.”

Ratings	S&P Global Ratings (AG Insured): "AA" (stable outlook). Moody's Investors Service, Inc. ("Moody's") (AG Insured): "A1" (stable outlook). Moody's (Underlying): "Baa1." See "RATINGS."
Bond Counsel	Allen Boone Humphries Robinson LLP, Houston, Texas.
Disclosure Counsel	Orrick, Herrington & Sutcliffe LLP, Houston, Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.

THE DISTRICT

Description	The District is a political subdivision of the State of Texas, located approximately 22 miles south of the central business district of the City of Houston, Texas. The District lies entirely within the corporate limits of the City of Iowa Colony, Texas. The District is a municipal utility district created by an order of the TCEQ effective August 16, 2007, and by a confirmation election held within the District on November 6, 2007. The District operates in accordance with Article XVI, Section 59 and Article III, Section 52 of the Constitution of the State of Texas, and Chapters 49 and 54 of the Texas Water Code, as amended, and other statutes of Texas applicable to municipal utility districts. The District consists of 1,152.8193 acres. See "THE DISTRICT."
Development within the District	The District is one of three municipal utility districts that make up the approximately 3,000-acre master-planned community known as Meridiana. To date, approximately 524.68 acres (2,140 lots) within the District have been developed as the residential subdivision of Meridiana, Phase 1, Sections 1–7, 34B, 35A, 37A, 37B, 38, 55A, 56, 57, 58A, 58B, 59, 60, 64, 65, 66, 69, 70, 71, 73, 74, 75, 76A, 76B, 80A, 80B, 81A, and 81B. In addition, approximately 12.39 acres have been developed as Meridiana Elementary School and approximately 93.7 acres have been developed as a sports stadium. As of December 1, 2024, the District was composed of 1,902 completed homes, 65 homes under construction and approximately 173 vacant developed lots. Of the 1,967 homes completed and under construction as of December 1, 2024, 1,892 homes were sold to homeowners within the District. The remaining land within the District consists of approximately 62.62 undeveloped but developable acres and approximately 438.43 undevelopable acres consisting of easements, rights of way and greenbelts. See "PRINCIPAL LANDOWNERS/DEVELOPER," "DEVELOPMENT OF THE DISTRICT," and "THE DISTRICT."
Developer	Land within the District is being developed by Rise Communities, LLC (the "Developer"). See "PRINCIPAL LANDOWNERS/DEVELOPER" and "DEVELOPMENT OF THE DISTRICT."
Homebuilders Within the District	Homebuilders who are active in Meridiana include David Weekley Homes, Drees Custom Highs, Highland Homes, Perry Homes, Coventry Homes, NewMark Homes, Shea Homes, Chesmar Homes, Westin Homes, Toll Brothers, and TriCoast Homes. Prices of new homes being constructed in the District range from the $270,000s–$1,000,000+. See "PRINCIPAL LANDOWNERS/DEVELOPER – Homebuilders within the District."
Hurricane Harvey	The greater area of the City of Houston, Texas, sustained widespread damage as a result of Hurricane Harvey's landfall along the Texas Gulf Coast on August 25, 2017, and historic levels of rainfall during the succeeding four days. The District is located approximately 30 miles from the Texas Gulf Coast. According to the District's engineer, the District did not experience any street flooding and no homes within the District had water damage from flooding.

INVESTMENT CONSIDERATIONS

THE DISTRICT'S TAX IS LEVIED ONLY ON THE PROPERTY LOCATED WITHIN THE DISTRICT. THEREFORE, THE INVESTMENT SECURITY AND QUALITY OF THE BONDS IS DEPENDENT UPON THE SUCCESSFUL DEVELOPMENT OF PROPERTY LOCATED WITHIN THE DISTRICT AND THE PAYMENT AND COLLECTION OF TAXES LEVIED THEREON.

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

[Remainder of Page Intentionally Left Blank]

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2024 Assessed Taxable Valuation	$	706,129,300	(a)
Estimated Taxable Valuation as of December 1, 2024	$	794,679,860	(b)
Direct Debt:			
The Outstanding Bonds (as of delivery of the Bonds)	$	80,645,000	
The Bonds		17,965,000	
Total	$	98,610,000	
Estimated Overlapping Debt	$	59,889,316	(c)
Total Direct and Estimated Overlapping Debt	$	158,499,316	(c)
Direct Debt Ratios:			
As a percentage of the 2024 Assessed Taxable Valuation		13.96	%
As a percentage of the Estimated Taxable Valuation as of December 1, 2024		12.41	%
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of the 2024 Assessed Taxable Valuation		22.45	%
As a percentage of the Estimated Taxable Valuation as of December 1, 2024		19.95	%
Utility System Debt Service Fund Balance (as of December 12, 2024)	$	1,402,601	(d)
Road System Debt Service Fund Balance (as of December 12, 2024)	$	1,034,007	(e)
Utility System Capital Projects Fund (as of December 12, 2024)	$	561,858	
Road System Capital Projects Fund (as of December 12, 2024)	$	41,373	
General Fund Balance (as of December 12, 2024)	$	1,649,376	

(a) Represents the taxable amount of assessed valuation of taxable properties in the District as of January 1, 2024, as provided by the Brazoria County Appraisal District (the "Appraisal District"). Such amount includes $366,030 of assessed valuation assigned to properties that remain under review by the Appraisal District. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal District, upon which the District will levy its tax. See "TAX DATA" and "TAXING PROCEDURES."

(b) As of December 1, 2024, provided by the Appraisal District for information purposes only. Represents new construction within the District as of December 1, 2024. This estimate is based upon the same unit value used in the assessed taxable valuation. No taxes will be levied on this estimate. See "TAXING PROCEDURES."

(c) See "DISTRICT DEBT – Estimated Direct and Overlapping Debt Statement."

(d) Neither Texas law nor the Bond Resolution (herein defined) requires that the District maintain any particular sum in the Utility System Debt Service Fund (herein defined). Monies in the Utility System Debt Service Fund cannot be used to pay debt service on bonds issued by the District for the Road System (herein defined) and are pledged only to payment of the Outstanding Utility Bonds and the Bonds.

(e) Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Road System Debt Service Fund (herein defined). Monies in the Road System Debt Service Fund cannot be used to pay debt service on bonds issued by the District for the Utility System (herein defined), including the Bonds, and are pledged only to payment of the Outstanding Road Bonds.

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2024 Tax Rate per $100 of Assessed Taxable Valuation			
Utility System Debt Service	$	0.540	
Road System Debt Service		0.310	(a)
Maintenance and Operations		0.035	
Total	$	0.885	
Combined Average Annual Debt Service Requirement (2025–2049)	$	5,964,532	(b)
Combined Maximum Annual Debt Service Requirement (2041)	$	6,682,250	(b)
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay the Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2025–2049) at 95% Tax Collections:			
Based on the 2024 Assessed Taxable Valuation	$	0.89	
Based on the Estimated Taxable Valuation as of December 1, 2024	$	0.80	
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay the Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2041) at 95% Tax Collections:			
Based on the 2024 Assessed Taxable Valuation	$	1.00	
Based on the Estimated Taxable Valuation as of December 1, 2024	$	0.89	
Single-Family Homes (including 65 under construction) as of December 1, 2024		1,967	(c)

(a) The District is authorized to levy two separate taxes to pay the debt service on bonds issued for the Utility System, such as the Utility Bonds, and bonds issued for the Road System. Such taxes are unlimited as to rate or amount.

(b) Requirement of debt service on the Outstanding Bonds (herein defined) and the Bonds. See "DISTRICT DEBT – Debt Service Requirement Schedule."

(c) Of the 1,967 homes completed and under construction as of December 1, 2024, 1,892 homes were sold to homeowners within the District.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 55

(A Political Subdivision of the State of Texas, located within Brazoria County)

$17,965,000
Unlimited Tax Bonds
Series 2025

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Brazoria County Municipal Utility District No. 55 (the "District") of its $17,965,000 Unlimited Tax Bonds, Series 2025 (the "Bonds").

The Bonds are issued pursuant to: an order of the Texas Commission on Environmental Quality (the "TCEQ"); the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution; a resolution adopted by the Board of Directors of the District (the "Board") on the date of sale of the Bonds (the "Bond Resolution"); and an election held within the boundaries of the District on November 3, 2009.

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.

There follow in this Official Statement descriptions of the Bonds, the Developer (herein defined), the Bond Resolution 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, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027, upon payment of the costs of duplication, therefor.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolution. A copy of the Bond Resolution may be obtained from the District upon written request made to the District's Bond Counsel, Allen Boone Humphries Robinson LLP, Phoenix Tower, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

The Bonds are dated February 1, 2025, and accrue interest from the date of delivery which is expected to be on or about February 13, 2025 (the "Date of Delivery"), with interest payable on September 1, 2025, and on each March 1 and September 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or prior redemption. The Bonds are fully registered bonds maturing on September 1 of the years shown under "PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES AND INITIAL REOFFERING YIELDS" on the inside cover page of this Official Statement. Principal of the Bonds will be payable to the Registered Owners at maturity or redemption upon presentation at the principal payment office of the paying agent/registrar, initially, BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). Interest on the Bonds will be payable by check, dated as of the Interest Payment Date, and mailed by the Paying Agent/Registrar to Registered Owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding the Interest Payment Date (the "Record Date") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

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's name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 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 purchase 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 Securities, 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.

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

Successor Paying Agent/Registrar

Provisions are made in the Bond Resolution for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a commercial bank; a trust company organized under the laws of the State of Texas; or other entity duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds.

Registration, Transfer and Exchange

In the event the Book-Entry-Only System is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the corporate trust office of the Paying Agent/Registrar in Houston, Texas. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Initial Purchaser.

The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of $5,000 in principal amount for a Bond, or any integral multiple thereof for any one maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within thirty (30) calendar days. No service charge will be made for any transfer or exchange, but the District or Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Redemption of the Bonds

Optional Redemption

Bonds maturing on September 1, 2031, and thereafter shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on February 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by such random method as the Paying Agent/Registrar deems fair and appropriate in integral multiples of $5,000 within any one maturity.

Mandatory Redemption

The Bond maturing on September 1 in the year 2030 is a term bond (the "Term Bond") and shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), and in the principal amount set forth in the following schedule:

$2,425,000 Term Bond Maturing on September 1, 2030

Mandatory Redemption Date	Principal Amount
September 1, 2026	$ 445,000
September 1, 2027	$ 465,000
September 1, 2028	$ 485,000
September 1, 2029	$ 505,000
September 1, 2030 (Maturity)	$ 525,000

On or before 30 days prior to each Mandatory Redemption Date set forth above, the Paying Agent/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 random method, the Term Bonds or portions of the 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 Resolution. The principal amount of the Term Bonds to be mandatorily redeemed on 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 Paying Agent/Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Mutilated, Lost, Stolen or Destroyed Bonds

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

Authority for Issuance

The Bonds are the eighth series of bonds issued by the District out of an aggregate $110,360,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and drainage facilities to serve the District (the "Utility System") and for the refunding of such bonds.

Following the issuance of the Bonds, $43,840,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds; no principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System") and for the refunding of such bonds; and $41,170,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities to serve the District (the "Park System") and for the refunding of such bonds will remain authorized but unissued.

The Bonds are issued pursuant to: an order of the TCEQ; the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution; the Bond Resolution; and an election held within the boundaries of the District on November 3, 2009.

Outstanding Bonds

The District has previously issued seven (7) series of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds, in an aggregate par amount of $48,555,000. The District has also previously issued eight (8) series of unlimited tax bonds for the purpose of acquiring or constructing the Road System and for the refunding of such bonds, in an aggregate par amount of $38,200,000. As of the Date of Delivery, $45,160,000 principal amount of such previously issued unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds remains outstanding (the "Outstanding Utility Bonds"). As of the Date of Delivery, $35,485,000 principal amount of such previously issued unlimited tax bonds for the purpose of acquiring or constructing the Road System and for the refunding of such bonds remains outstanding (the "Outstanding Road Bonds," and together with the Outstanding Utility Bonds, the "Outstanding Bonds").

Short-Term Debt

The District issued its $9,160,000 Bond Anticipation Note, Series 2024 (the "BAN"), dated June 5, 2024. The BAN matures on June 4, 2025, and accrues interest at a rate of 4.84% per annum, calculated on the basis of 365-day year. The District will use a portion of the proceeds from the sale of the Bonds to redeem the BAN prior to its maturity. Proceeds from the BAN were used to reimburse the Developer for a portion of the improvements and related costs shown under "THE BONDS – Use and Distribution of Proceeds of the Bonds."

Issuance of Additional Debt

The District may issue additional bonds for the Utility System and the Park System, subject to the approval of the TCEQ, and for the Road System, necessary to provide improvements and facilities consistent with the purposes for which the District was created and subject to additional bonding authorization approved by voters in the District. The District's voters have authorized the issuance of $110,360,000 of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds; $38,200,000 of unlimited tax bonds for the purpose of acquiring or constructing the Road System and for the refunding of such bonds; and $41,170,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Park System and for the refunding of such bonds. The District could authorize additional amounts of each. The Bonds are the eighth series of bonds issued by the District for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds.

Following the issuance of the Bonds, $43,840,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds; no principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System and for the refunding of such bonds; and $41,170,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Park System and for the refunding of such bonds will remain authorized but unissued. 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 TCEQ, as needed).

Following the issuance of the Bonds, the District will owe the Developer approximately $30,102,000 for expenditures relating to the acquisition or construction of the Utility System, the Road System, and the Park System serving the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

The District is also authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes. Before the District could issue such bonds, the following actions would be required: (a) authorization of a detailed fire protection plan; (b) approval of the fire plan by the TCEQ; (c) approval of the fire plan by the voters of the District; and (d) approval of bonds, if any, by the Attorney General of Texas. The Board has adopted neither a fire plan nor called an election for such purposes. If additional debt obligations are issued in the future by the District, such issuance may increase gross debt/property ratios and might adversely affect the investment security of the Bonds.

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. The District prepared a parks master plan, and on November 3, 2009, the District's voters authorized $41,170,000 in unlimited tax bonds for the purpose of acquiring or constructing the Park System and for the refunding of such bonds. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of the park bond application for the issuance of bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas. The District has not considered the preparation of a parks bond application at this time. 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 at the time of issuance, unless effective June 14, 2021, 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 exceed three percent of the value of the taxable property in the District.

Source of Payment

The Bonds are payable from the proceeds of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. Bonds issued for the Utility System, for the Park System, and for the Road System are each supported by a separate unlimited tax levied by 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, Paying Agent/Registrar fees, and fees of the Brazoria County Appraisal District (the "Appraisal District"). Tax proceeds, after deduction for collection costs, will be placed in the Utility System Debt Service Fund and used solely to pay principal of and interest on the Bonds, any additional bonds payable from taxes which may be issued for the Utility System, and fees of the Paying Agent/Registrar. Amounts on deposit in the Utility System Debt Service Fund (defined below) may not be used to pay debt service on bonds issued by the District for the Road System, such as the Outstanding Road Bonds. Amounts on deposit in the Road System Debt Service Fund (defined below) may not be used to pay debt service on bonds issued by the District for the Utility System, including the Outstanding Utility Bonds and the Bonds.

The Bonds are obligations solely of the District and are not the obligations of the State of Texas; Brazoria County, Texas (the "County"); the City of Iowa Colony, Texas (the "City"); or any entity other than the District.

Funds

The Bond Resolution confirms the District's fund for debt service on the Outstanding Utility Bonds, the Bonds, and any additional unlimited tax bonds issued by the District for the Utility System (the "Utility System Debt Service Fund"). The Utility System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Outstanding Utility Bonds, the Bonds, and any additional unlimited tax bonds issued by the District for the Utility System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Outstanding Utility Bonds, the Bonds, and any of the District's other duly authorized bonds issued for the Utility System payable in whole or in part from taxes. Amounts on deposit in the Utility System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Outstanding Utility Bonds, the Bonds, and any additional bonds for the Utility System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. Amounts on deposit in the Utility System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Road System, including the Outstanding Road Bonds.

No Arbitrage

The District will certify, on the date of delivery of the Bonds, 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.

Defeasance

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct 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.

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is an excerpt 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.

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 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. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell property within the District in order to pay the principal of or interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be further limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. For example, a Chapter 9 bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners.

[*Remainder of page intentionally left blank.*]

Use and Distribution of Proceeds of the Bonds

Proceeds of the sale of the Bonds will be used by the District to redeem the BAN, the proceeds of which were used to reimburse the Developer for a portion of the improvements and related costs shown below. Additionally, proceeds from the sale of the Bonds will also be used to reimburse the Developer for the improvements and related costs that were not reimbursed by the BAN and to pay: developer interest; BAN interest; and other certain costs associated with the issuance of the Bonds.

Non-construction costs are based upon either contract amounts or estimates of various costs by the Engineer (herein defined) and the Financial Advisor (herein defined). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor.

Construction Costs	District's Share
A. Developer Contribution Items	
1. Meridiana, Section 38 and Observation Way Phase 1 W, WW, D	$ 1,082,233
2. Meridiana, Section 59 and Observation Way Phase 1 W, WW, D	1,251,697
3. Meridiana, Section 64 – W, WW, D	358,833
4. Meridiana, Section 34B – W, WW, D	516,874
5. Meridiana, Section 76A – W, WW, D	612,893
6. Meridiana, Section 76B – W, WW, D	356,711
7. Meridiana, Section 80 and Discovery Drive – W, WW, D	642,743
8. Meridiana, Section 81A – W, WW, D	870,467
9. Meridiana, Section 81B – W, WW, D	213,513
10. Iowa Colony Blvd. Phase 2 – W, WW, D	925,033
11. Engineering and Geotechnical Expense (Items 1-10)	921,410
12. Storm Water Compliance Expense (Items 1-10)	102,017
Total Developer Contribution Items	$ 7,854,424
B. District Contribution Items	
1. West Fork of Chocolate Bayou Detention Pond "N" & "O"	$ 1,070,474
2. West Fork of Chocolate Bayou Detention Pond "O" Ph 2 & "P"	2,793,143
3. Detention Basin 1A – 1 Meridiana Commercial	415,352
4. WWTP Expansion Engineering	451,994
5. Water Plant No. 1 Booster Pump Addition	118,000
6. Water Plant No. 1 Expansion Phase 3 Engineering and Geotechnical Expense	143,603
7. Engineering and Geotechnical Expense (Items 1-3)	485,468
8. Storm Water Compliance Expense (Items 1-3)	37,740
Total District Contribution Items	$ 5,515,774
Total Construction Costs	$ 13,370,198
Less Surplus Funds	(523,615)
Net Construction Costs (71.51% of BIR)	$ 12,846,583
Non-Construction Costs	
A. Legal Fees	$ 399,300
B. Fiscal Agent Fees	359,300
C. Interest	
1. Developers Interest	2,932,873
2. Bond Anticipation Note Interest	307,304
D. Bond Discount	538,950
E. Bond Issuance Expenses	56,859
F. Bond Anticipation Note Issuance Fees	204,716
G. Bond Application Report Cost	68,206
H. Attorney General Fee (0.10%)	9,500
I. TCEQ Bond Issuance Fee (0.25%)	44,913
J. Contingency (a)	196,496
Total Non-Construction Costs (28.49% of BIR)	$ 5,118,417
TOTAL BOND ISSUE REQUIREMENT	**$ 17,965,000**

(a) Represents the difference between the estimated and actual amount of BAN Interest.

In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses in accordance with the rules of the TCEQ. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

THE DISTRICT

Authority

The District was created by order of the TCEQ, dated August 16, 2007, and by a confirmation election held within the District on November 6, 2007, and operates pursuant to Article XVI, Section 59 and Article III, Section 52 of the Constitution of the State of Texas, and Chapters 49 and 54, Texas Water Code, as amended.

The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water.

The District also is authorized to acquire, construct, develop and maintain park and recreational facilities using operating revenues or by issuing bonds payable from taxes, and to construct roads. In addition, the District is authorized, upon TCEQ and voter approval, to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, and provide such facilities and services to the customers of the District.

Description

At the time of the confirmation election, the District encompassed 572.61 acres. The District has since annexed 581.264 acres, and thus the total acreage of the District is now 1,152.8193 acres. The District is located wholly within the County, approximately 22 miles south of the Central Business District of the City of Houston, Texas. The District lies approximately 3.5 miles southwest of the intersection of State Highway 6 and Highway 288. The District is located within the corporate city limits of the City.

Management of the District

The District is governed by its Board, consisting of five directors who have control over and management supervision of all affairs of the District. All of the directors own property in the District. The directors serve staggered, four-year terms. Elections are held in even-numbered years in May. The current members and officers of the Board are listed below:

Name	Title	Term Expires May
Emily Ortega	President	2028
Darrin Hall	Vice President	2026
Maxwell Lockhart	Secretary	2026
Leanne Riman	Assistant Secretary	2028
Houston Hamilton	Assistant Vice President	2026

Investment Policy

The District has adopted an Investment Policy (the "Policy") as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The District's goal is to preserve principal and maintain liquidity in a diversified portfolio while securing a competitive yield on its portfolio. Funds of the District are to be invested only in accordance with the Policy. The Policy states that the funds of the District may be invested in short term obligations of the U.S. or its agencies or instrumentalities, in certificates of deposits insured by the Federal Deposit Insurance Corporation ("FDIC") and secured by collateral authorized by the Act, and in TexPool and TexStar, which are public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate, the inclusion of long term securities or derivative products in the portfolio.

DEVELOPMENT OF THE DISTRICT

The District is one of three municipal utility districts that make up the approximately 3,000-acre master-planned community known as Meridiana. To date, approximately 524.68 acres (2,140 lots) within the District have been developed as the residential subdivision of Meridiana, Phase 1, Sections 1–7, 34B, 35A, 37A, 37B, 38, 55A, 56, 57, 58A, 58B, 59, 60, 64, 65, 66, 69, 70, 71, 73, 74, 75, 76A, 76B, 80A, 80B, 81A, and 81B. In addition, approximately 12.4 acres have been developed as Meridiana Elementary School and approximately 93.7 acres have been developed as a sports stadium.

As of December 1, 2024, the District was composed of 1,902 completed homes, 65 homes under construction, and approximately 173 vacant developed lots. Of the 1,967 homes completed and under construction as of December 1, 2024, 1,892 homes were sold to homeowners within the District. The remaining land within the District consists of approximately 62.62 undeveloped but developable acres and approximately 438.43 undevelopable acres consisting of easements, rights of way and greenbelts.

Status of Development within the District

The following is a status of construction of single-family housing within the District as of December 1, 2024:

[*Remainder of page intentionally left blank.*]

Meridiana, Phase 1	Section Acreage	Platted Lots	Completed Homes	Homes Under Construction	Developed Vacant Lots
Section 1	20.49	66	66	0	0
Section 2	15.31	32	32	0	0
Section 3	19.90	79	79	0	0
Section 4	26.90	97	97	0	0
Section 5	18.65	44	44	0	0
Section 6	21.06	89	89	0	0
Section 7	23.78	84	84	0	0
Section 34B	6.19	42	18	4	20
Section 35A	12.60	96	0	5	91
Section 37A	11.18	79	69	4	6
Section 37B	5.77	40	32	4	4
Section 38	16.70	45	45	0	0
Section 55A	15.36	82	36	16	30
Section 56	11.74	53	53	0	0
Section 57	17.43	74	64	6	4
Section 58A	20.71	82	82	0	0
Section 58B	13.97	64	23	23	18
Section 59	35.06	102	102	0	0
Section 60	22.40	93	93	0	0
Section 64	13.30	42	42	0	0
Section 65	17.62	33	33	0	0
Section 66	19.61	58	58	0	0
Section 69	12.68	48	48	0	0
Section 70	22.44	59	59	0	0
Section 71	14.55	52	52	0	0
Section 73	8.28	50	50	0	0
Section 74	8.23	53	53	0	0
Section 75	7.62	41	41	0	0
Section 76A	8.75	56	56	0	0
Section 76B	9.08	56	53	3	0
Section 80A	20.80	77	77	0	0
Section 80B	6.66	30	30	0	0
Section 81A	11.47	70	70	0	0
Section 81B	8.39	72	72	0	0
Totals	524.68	2,140	1,902	65	173

Single-Family Developed:	524.68
Commercial	21.00
School Acreage:	12.39
Stadium Acreage:	93.70
Undevelopable Acres:	438.43
Remaining Developable Acres:	62.62
Service Area Total:	1,152.82

Consultants

Although the District does not have a general manager or any other full-time employees, it has contracted for utility system operating, bookkeeping, tax assessing and collecting, auditing, engineering, and legal services as follows:

Tax Assessor/Collector: The tax assessor/collector for the District is Assessments of the Southwest, Inc.

Bookkeeper: The District's bookkeeper is Myrtle Cruz, Inc.

Utility System Operator: The District's water and sewer system is operated by Si Environmental, LLC.

Auditor: The District engaged McGrath & Co., PLLC to audit its financial statements for the fiscal year ended March 31, 2024. See "APPENDIX A" for financial statements related to the District.

Engineer: The District's engineer is Edminster, Hinshaw, Russ and Associates, Inc. (the "Engineer"). Such firm acts as engineer for many residential and commercial developments in Texas.

Bond & General Counsel: The District has engaged Allen Boone Humphries Robinson LLP, Houston, Texas, as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

Disclosure Counsel: The District has engaged Orrick, Herrington & Sutcliffe LLP, Houston, Texas, as disclosure counsel ("Disclosure Counsel") to the District in connection with the issuance of the Bonds. The fees to be paid Disclosure Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

Financial Advisor: Robert W. Baird & Co. Incorporated serves as financial advisor ("Financial Advisor") to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

SHARED FINANCING AGREEMENT

On February 15, 2011, the District entered into a Shared Financing Agreement (the "Agreement") with the City, Reinvestment Zone Number Two, City of Iowa Colony, Texas (the "TIRZ") and Iowa Colony Development Authority (the "Authority") for the purpose of constructing TIRZ Projects (as defined in the Agreement), which include various public works and improvements.

The Authority and the District agree to assist the City and the TIRZ in the implementation of the TIRZ Projects and in the funding, ownership, operation and maintenance of the TIRZ Projects. The District will act as Project Manager for the TIRZ Projects set out in the Agreement, and will give written notice to the Authority's Board of Directors before initiating the design or construction of a TIRZ Project for approval. Upon completion of TIRZ Project construction, the project shall be conveyed to the responsible party as stated in the Agreement.

For any year in which the City collects or receives tax increment, the City will pay such tax increment to the Authority. For any year the Authority receives payments from the City, the amount of Project Costs to be paid from tax increment by the Authority ("TIRZ Share") to the District is the percentage of the actual project costs set out in the Agreement. The District will begin to receive TIRZ Share payments no later than thirty days prior to the fall principal and interest payment date upon the District's issuance of bonds.

The term of the Agreement will expire on the later of January 1 in the year following completion of the TIRZ Plan (as defined in the Agreement) or the date that the Developer has been repaid in full for all eligible project costs.

Pursuant to the Agreement, the City provided written notice on October 19, 2021, of its intent to assume ownership and operation of the District's water and wastewater treatment facilities (the "Facilities"). Under the Agreement, the City and the District are required to enter into a utility agreement that establishes the terms and conditions under which the City will provide water supply and wastewater services to the District. Negotiations regarding the utility agreement have been ongoing since the first quarter of 2024. On July 11, 2024, the City issued a letter to the District demanding conveyance of the Facilities. The City and the District have not yet reached mutual agreement on the terms of the utility agreement. Mediation between the City and the District regarding these terms is scheduled for the first quarter of 2025. The timing of the conveyance of the Facilities and the resulting elimination of the District's water and wastewater revenues could necessitate an increase in the District's tax rate for ongoing District operations.

As discussed under "THE UTILITY SYSTEM," the District currently leases three steel wastewater treatment plants with a total capacity of 480,000 gallons per day ("gpd"). These leased plants, as approved by the Texas Commission on Environmental Quality ("TCEQ") at a re-rate of 240 gpd per equivalent single-family connection ("ESFC"), provide adequate capacity to serve approximately 2,000 ESFCs (the "Leased Plants"). To accommodate growth, the District is constructing a permanent 500,000 gpd concrete wastewater treatment plant (the "Permanent Plant"). Once completed, the Permanent Plant, combined with the Leased Plants, will provide a total wastewater capacity of 980,000 gpd, sufficient to serve approximately 4,083 ESFCs.

The City has issued a letter asserting that the Leased Plants must be removed once the Permanent Plant becomes operational. The District disputes the City's position. It is currently unknown whether the District will be able to continue operating the Leased Plants for their full useful lives or if they will need to be replaced with an expansion of the Permanent Plant sooner than anticipated. Should the District be required to remove the Leased Plants upon the Permanent Plant's completion, delays in development could occur, and it may be necessary for the District to increase its debt service tax rate to be able to fund replacement capacity.

An operation and maintenance tax rate increase may not be sufficient to fully replace the lost water and sewer revenues, and a debt service tax rate increase may not be sufficient to reimburse the Developer for any expansions to the Permanent Plant that may be required by the City to be constructed earlier than originally anticipated. Both factors could reduce the rate of development within the District.

PRINCIPAL LANDOWNERS/DEVELOPER

Role of the Developer

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be constructed in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the 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 of the cost of constructing certain of the water, wastewater and drainage facilities in a utility district pursuant to the rules of the TCEQ. 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 a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is ordinarily a major taxpayer within a municipal utility district during the development phase of the property.

Prospective purchasers of the Bonds should note that the prior real estate experience of a developer should not be construed as an indication that further development within the District will occur, or construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate.

Neither the Developer, nor any affiliate entity, is obligated to pay principal of or interest on the Bonds. Furthermore, none of the Developer or its affiliate entities has a binding commitment to the District to carry out any plan of development, and the furnishing of information relating to the proposed development by the Developer or its affiliate entities should not be interpreted as such a commitment. Prospective purchasers are encouraged to inspect the District in order to acquaint themselves with the nature of development that has occurred or is occurring within the District's boundaries.

Principal Landowner/Developer

GR-M1 LTD, an entity associated with the Developer (herein defined) was formed for the purpose of acquiring and holding for investment and sale tracts of land, including the land in the District. The Developer has determined the overall development plan for such land in the District and arranged for the construction of water, sanitary sewer and road facilities within the District. GR-M1 LTD plans to use equity contributions to fund the development of Meridiana.

Rise Communities LLC (the "Developer"), is a developer and manager of master-planned, large-scale communities. In addition to developing Meridiana, Rise Communities LLC is also developing Cane Island, an 1,100-acre master-planned community located in the City of Katy, Texas.

Homebuilders within the District

Homebuilders who are active in Meridiana include David Weekley Homes, Drees Custom Homes, Highland Homes, Perry Homes, Coventry Homes, NewMark Homes, Shea Homes, Chesmar Homes, Westin Homes, Toll Brothers, and TriCoast Homes. Prices of new homes being constructed in the District range from the $270,000s –$1,000,000+.

THE UTILITY SYSTEM

Regulation

According to the Engineer, the water distribution and wastewater collection lines constructed by the District have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the City, and the County. According to the District's Engineer, the design of all such completed facilities has been approved by all required governmental agencies.

Operation of the District's waterworks and sewer treatment facilities is subject to regulation by, among others, the Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Water, Sanitary Sewer and Drainage System

Water Supply: The District owns one water plant. Phase One of the Water Plant consisted of a 1,600 gallon-per minute ("gpm") well, 30,000 gallons of hydropneumatic tank capacity, a 269,000-gallon ground storage tank and 3,450 gpm of booster pump capacity. According to EHRA, the District's engineer, phase one of the water plant was capable of serving 2,333 equivalent single family connections ("esfc") in the District.

The Ultimate Phase of the Water Plant consists of the addition of a 269,000-gallon ground storage tank and 1,750 gpm of booster pump capacity. According to the Engineer, the ultimate phase of the water plant is capable of serving 2,600 esfc in the District.

Wastewater Treatment: The District leases and operates three wwtps with a total capacity of 480,000 gallon-per day ("gpd") wastewater treatment facility. According to the Engineer, the facility is adequate to serve 2,000 esfc per a re-rate to 240 gpd/esfc approved by the TCEQ.

The District is currently expanding the plant to a 980,000 gpd wastewater treatment facility with one permanent wwtp with a capacity of 0.50 mgd. According to the Engineer, the ultimate phase of the facility will be adequate to serve 4,083 esfc, based on the re-rate to 240 gpd/esfc.

100-Year Flood Plain

According to the FEMA Map Panel No. 48039 C0110K and FEMA Map Panel No. 48039 C0120K effective as of December 30, 2020, approximately 300 acres within the District are located in the 100-year flood plain and are not considered to be developable. Approximately 150 acres of flood plain will be, or has been, filled in connection with future development, and a letter of map revision will be, or has been, filed to remove it from the flood plain.

THE ROAD SYSTEM

The Road System serves residents of the District by providing access to the major thoroughfares and collectors within the Meridiana development and surrounding area. The major thoroughfares and collectors serving the District include Meridiana Parkway, Discovery Drive and Iowa Colony Boulevard. Discovery Drive and Iowa Colony Boulevard act as collectors by conveying residents of the District to the major thoroughfare of Meridiana Parkway which connects to the State Highway 288 to the west. The District will finance, design and construct the Road System in phases as development progresses. The Road System will ultimately be owned, operated and maintained by the City as the phases are constructed and accepted by the City. The District does not intend to maintain or operate the roads once they are accepted by the City.

[*Remainder of page intentionally left blank.*]

General Fund Operating Statement

The following statement sets forth in condensed form the historical results of operations of the District's. Such summary has been prepared by the Financial Advisor for inclusion herein, based upon information obtained from the District's audited financial statements. Reference is made to such statement for further and more complete information. See "APPENDIX A."

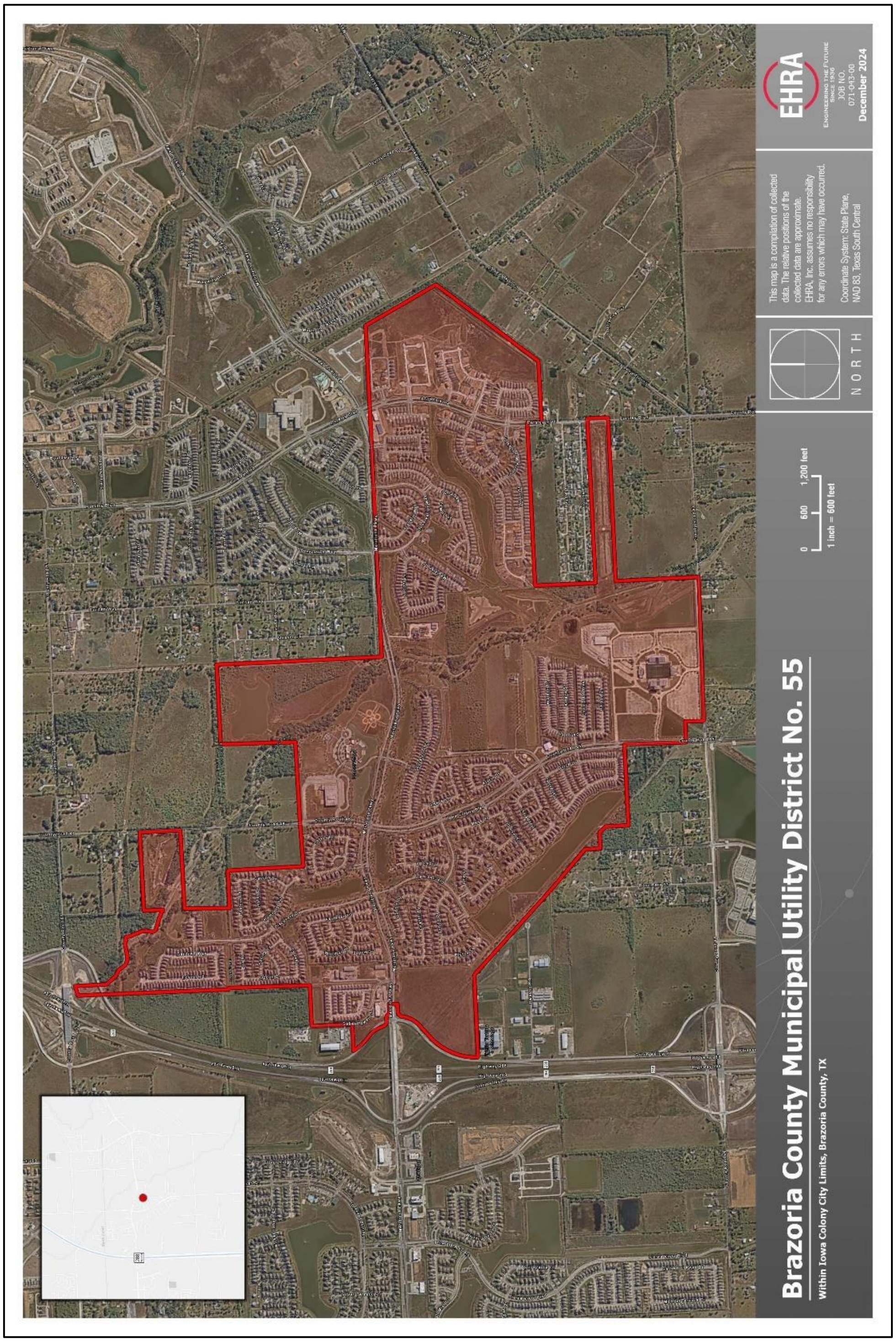
	FISCAL YEAR END MARCH 31				
	2024	2023	2022	2021	2020
REVENUES					
Water Service	$ 784,385	$ 685,128	$ 552,206	$ 507,713	$ 348,012
Sewer Service	660,238	579,422	493,469	404,703	294,463
Property Taxes	321,772	441,916	228,922	321,355	165,014
Penalties and Interest	24,289	19,400	15,892	12,228	10,700
Groundwater Pumpage Fees	6,010	5,410	3,956	3,875	2,494
Tap Connection and Inspection	509,322	458,875	454,782	451,005	403,265
Miscellaneous	39,182	40,502	34,807	28,388	28,513
Investment Earnings	85,225	30,099	1,369	4,979	14,416
TOTAL REVENUES	$ 2,430,426	$ 2,260,752	$ 1,785,403	$ 1,734,246	$ 1,266,877
EXPENDITURES					
Professional Fees	$ 314,641	$ 219,782	$ 220,694	$ 199,268	$ 252,786
Contracted Services	544,010	446,809	374,621	391,854	347,449
Repairs and Maintenance	664,907	474,928	369,660	328,962	255,487
Lease	123,900	131,850	343,574	240,732	230,094
Utilities	125,233	95,746	77,844	67,509	56,478
Groundwater Pumpage Fees	3,600	3,150	–	–	2,135
Administrative	218,465	75,941	78,244	67,722	60,496
Other	28,224	21,631	9,281	15,845	7,773
Capital Outlay	141,805	–	–	–	1,280,130 (a)
Developer Interest	–	–	–	–	117,968
Lease – Principal	299,864	286,979	–	–	–
Lease – Interest	32,536	45,421	–	–	–
TOTAL EXPENDITURES	$ 2,497,185	$ 1,802,237	$ 1,473,918	$ 1,311,892	$ 2,610,796
Excess Revenues (Expenditures)	$ (66,759)	$ 458,515	$ 311,485	$ 422,354	$(1,343,919)
Other Financing Sources (Uses):					
Internal Transfers	39,154	(979,520)	52,848	47,959	10,524
Capital Recovery Fees			879,520 (b)		
Net Change in Fund Balance	$ 39,154	$ (979,520)	$ 1,243,853	$ 470,313	$(1,333,395)
Balance, Beg of Year	$ 1,898,216	$ 2,419,221	$ 1,175,368	$ 705,055	$ 2,038,450
Balance, End of Year	$ 1,870,611	$ 1,898,216	$ 2,419,221	$ 1,175,368	$ 705,055

(a) GR-M1, Ltd Reimbursement (Developer Reimb).

(b) Tax-exempt impact fees received from Alvin Independent School District based on its pro rata share of existing District facilities intended to serve Alvin Independent School District's stadium site and bus barn.

AERIAL PHOTOGRAPH OF THE DISTRICT

(December 2024)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(December 2024)

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(December 2024)

DISTRICT DEBT

Debt Service Requirement Schedule

The following schedule sets forth the debt service requirements on the Outstanding Bonds, and the principal and interest requirement on the Bonds. Totals may not sum due to rounding.

Calendar Year	Outstanding Debt Service (a)	Plus: The Bonds: Principal	Interest	Debt Service	Total Debt Service
2025	$ 5,378,889	$ –	$ 418,908	$ 418,908	$ 5,797,796
2026	5,369,529	445,000	761,650	1,206,650	6,576,179
2027	5,351,529	465,000	739,400	1,204,400	6,555,929
2028	5,352,585	485,000	716,150	1,201,150	6,553,735
2029	5,350,901	505,000	691,900	1,196,900	6,547,801
2030	5,341,233	525,000	666,650	1,191,650	6,532,883
2031	5,349,058	550,000	640,400	1,190,400	6,539,458
2032	5,356,450	570,000	612,900	1,182,900	6,539,350
2033	5,374,663	595,000	590,100	1,185,100	6,559,763
2034	5,389,400	620,000	566,300	1,186,300	6,575,700
2035	5,403,288	650,000	541,500	1,191,500	6,594,788
2036	5,419,181	675,000	515,500	1,190,500	6,609,681
2037	5,432,563	705,000	488,500	1,193,500	6,626,063
2038	5,446,263	735,000	460,300	1,195,300	6,641,563
2039	5,462,919	765,000	430,900	1,195,900	6,658,819
2040	5,478,119	795,000	400,300	1,195,300	6,673,419
2041	5,483,750	830,000	368,500	1,198,500	6,682,250
2042	5,341,569	865,000	335,300	1,200,300	6,541,869
2043	5,143,025	905,000	300,700	1,205,700	6,348,725
2044	4,931,456	940,000	264,500	1,204,500	6,135,956
2045	4,940,763	980,000	225,725	1,205,725	6,146,488
2046	3,364,400	1,025,000	185,300	1,210,300	4,574,700
2047	2,533,388	1,065,000	141,738	1,206,738	3,740,125
2048	1,944,488	1,110,000	96,475	1,206,475	3,150,963
2049	–	1,160,000	49,300	1,209,300	1,209,300
Total	$119,939,404	$17,965,000	$11,208,895	$29,173,895	$149,113,299

(a) Outstanding as of delivery of the Bonds.

Combined Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2025–2049) .... $ 5,964,532

Combined Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2041) .... $ 6,682,250

[*Remainder of page intentionally left blank.*]

Bonded Indebtedness

2024 Assessed Taxable Valuation	$ 706,129,300	(a)
Estimated Taxable Valuation as of December 1, 2024	$ 794,679,860	(b)
Direct Debt:		
The Outstanding Bonds (as of delivery of the Bonds)	$ 80,645,000	
The Utility Bonds	17,965,000	
Total	$ 98,610,000	
Estimated Overlapping Debt	$ 59,889,316	(c)
Total Direct and Estimated Overlapping Debt	$ 158,499,316	(c)
Direct Debt Ratios:		
As a percentage of the 2024 Assessed Taxable Valuation	13.96	%
As a percentage of the Estimated Taxable Valuation as of December 1, 2024	12.41	%
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of the 2024 Assessed Taxable Valuation	22.45	%
As a percentage of the Estimated Taxable Valuation as of December 1, 2024	19.95	%
Utility System Debt Service Fund Balance (as of December 12, 2024)	$ 1,402,601	(d)
Road System Debt Service Fund Balance (as of December 12, 2024)	$ 1,034,007	(e)
Utility System Capital Projects Fund (as of December 12, 2024)	$ 561,858	
Road System Capital Projects Fund (as of December 12, 2024)	$ 41,373	
General Fund Balance (as of December 12, 2024)	$ 1,649,376	

(a) Represents the taxable amount of assessed valuation of taxable properties in the District as of January 1, 2024, as provided by the Appraisal District. Such amount includes $366,030 of assessed valuation assigned to properties that remain under review by the Appraisal District. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal District, upon which the District will levy its tax. See "TAX DATA" and "TAXING PROCEDURES."

(b) As of December 1, 2024, provided by the Appraisal District for information purposes only. Represents new construction within the District as of December 1, 2024. This estimate is based upon the same unit value used in the assessed taxable valuation. No taxes will be levied on this estimate. See "TAXING PROCEDURES."

(c) See "DISTRICT DEBT – Estimated Direct and Overlapping Debt Statement."

(d) Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Utility System Debt Service Fund. Monies in the Utility System Debt Service Fund cannot be used to pay debt service on bonds issued by the District for the Road System and are pledged only to payment of the Outstanding Utility Bonds and the Bonds.

(e) Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Road System Debt Service Fund. Monies in the Road System Debt Service Fund cannot be used to pay debt service on bonds issued by the District for the Utility System, including the Bonds, and are pledged only to payment of the Outstanding Road Bonds.

Estimated Direct and Overlapping Debt Statement

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from 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 or general revenue purposes in addition to taxes for payment of their debt, and some are presently levying and collecting such taxes.

Taxing Jurisdiction	Outstanding Debt as of October 31, 2024	Estimated Overlapping Percent	Estimated Overlapping Amount
Brazoria County, Texas	$ 232,603,313	1.26%	$ 2,960,088
Alvin Independent School District	918,045,000	4.89%	45,236,422
Alvin Community College District	19,520,000	3.44%	676,921
City of Iowa Colony	13,455,000	54.11%	7,335,118
Port Freeport, Texas	122,855,000	2.97%	3,680,766
Total Estimated Overlapping Debt			$ 59,889,316
The District			$ 98,610,000 (a)
Total Direct & Estimated Overlapping Debt			$ 158,499,316 (a)

(a) Includes the Bonds and the Outstanding Bonds.

Debt Ratios

	Percentage of 2024 Assessed Taxable Valuation	Percentage of Estimate of Value December 1, 2024
Direct Debt (a)	13.96%	12.41%
Total Direct and Estimated Overlapping Debt (a)	22.45%	19.95%

(a) Includes the Bonds and the Outstanding Bonds.

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 sufficient amount to pay the principal of and interest on the Bonds and any additional road 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 Board is also authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in sufficient amount to pay the principal of and interest on the Bonds and any water and sewer system bonds payable from taxes which the District may hereafter issue, 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 Utility System and for the payment of certain contractual obligations. See "TAX DATA – Maintenance Tax."

Property Tax Code and County-Wide Appraisal District

Title I 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 herein. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the Appraisal District. The Appraisal District has the responsibility of appraising property for all taxing units within the 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 appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate.

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; certain 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 exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied.

A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption will also apply to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces who was killed in action is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption may be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

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

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State 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 by before July 1. The District has never adopted a homestead exemption. See "TAX DATA."

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

Tax Abatement

The County may designate all or part of the area within the District as a reinvestment zone. Thereafter, the County, the City and the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. At this time, the County has not designated any of the area within the District as a reinvestment zone.

Valuation of Property for Taxation

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

Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by one political subdivision 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 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 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.

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

District and Taxpayer Remedies

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

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

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

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 projected build-out that a 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 herein as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all land, 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.

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

For the 2024 tax year, the District made the determination of its status as a Developing District. A determination as to the 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, in September or October of each year. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

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

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

TAX DATA

General

All taxable property within the District is subject to the assessment, levy and collection by the District of a continuing, direct annual ad valorem tax without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds and the Outstanding Bonds (see "TAXING PROCEDURES"). The Board 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 total tax rate of $0.885 per $100 of assessed valuation for the 2024 tax year. Such rate is composed of: a maintenance and operations tax rate of $0.035 per $100 of assessed valuation; a Utility System debt service tax rate of $0.540 per $100 of assessed valuation; and a Road System debt Service tax rate of $0.310 per $100 of assessed valuation.

Tax Rate Limitation

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

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements if such maintenance tax is authorized by vote of the District's electors. The Board is authorized by the District's voters to levy such maintenance tax in an amount not to exceed $1.50 per $100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any parity bonds which may be issued in the future. See "Tax Rate Distribution" below.

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 June 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.

[*Remainder of page intentionally left blank.*]

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed taxable valuation which would be required to meet certain debt service requirements of the Outstanding Bonds and the Bonds if no growth in the District's tax base occurs beyond the 2024 Assessed Taxable Valuation ($706,129,300) or the Estimated Taxable Assessed Valuation as of December 1, 2024 ($794,679,860). The calculations assume collection of 95% of taxes levied, the sale of the Bonds but not the sale of any additional bonds by the District.

Combined Average Annual Debt Service Requirement (2024–2048)	$ 5,964,532
Combined Debt Service Tax Rate of $0.89 on the 2024 Assessed Taxable Valuation	$ 5,970,323
Combined Debt Service Tax Rate of $0.80 on the Estimated Taxable Valuation as of December 1, 2024	$ 6,039,567
Combined Maximum Annual Debt Service Requirement (2041)	$ 6,682,250
Combined Debt Service Tax Rate of $1.00 on the 2024 Assessed Taxable Valuation	$ 6,708,228
Combined Debt Service Tax Rate of $0.89 on the Estimated Taxable Valuation as of December 1, 2024	$ 6,719,018

Estimated Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under Texas law, if ad valorem taxes levied by a taxing authority become delinquent, a lien is created upon the property which has been taxed. A tax lien on property in favor of the District is on a parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT – Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below is an estimation of all taxes per $100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. The following chart includes the 2024 taxes per $100 of assessed valuation levied by all such taxing jurisdictions. No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

Taxing Jurisdictions	2024 Tax Rate Per $100 of A.V.
The District	$ 0.885000
City of Iowa Colony, Texas	0.519209
Brazoria County Drainage District No. 5	0.104079
Brazoria County Emergency Services District No. 3	0.077459
Brazoria County, Texas	0.303546
Alvin Community College	0.155988
Alvin Independent School District	1.170000
Port Freeport	0.000000
Total	$ 3.215281

Historical Tax Collections

Tax Year	Assessed Valuation	Tax Rate Per $100 (a)	Adjusted Levy	% of Collections Current Year	For the Current Year Ended September 30	% of Collections as of 11/30/24
2020	$259,488,820	0.8850	$ 2,296,476	97.58%	2021	100.00%
2021	345,162,026	0.8850	3,054,684	99.03%	2022	99.98%
2022	465,190,264	0.8550	4,116,934	99.85%	2023	99.99%
2023	596,882,289	0.8850	5,282,408	99.35%	2024	99.67%
2024	705,763,270	0.8850	6,246,005	(b)	2025	(b)

(a) Tax rate per $100 of taxable value. See "Tax Rate Distribution" below.

(b) In process of collections.

Tax Rate Distribution

	2024	2023	2022	2021	2020
Utility System Debt Service	$ 0.5400	$ 0.4600	$ 0.5000	$ 0.5200	$ 0.4000
Road System Debt Service	0.3100	0.3700	0.2900	0.3000	0.3600
Maintenance	0.0350	0.0550	0.0950	0.0650	0.1250
Total	$ 0.8850	$ 0.8850	$ 0.8850	$ 0.8850	$ 0.8850

Assessed Taxable Valuation Summary

The following represents the types of property comprising the District assessed taxable value for each of the 2020–2024 tax years.

Type of Property	2024 Assessed Valuation (a)	2023 Assessed Valuation	2022 Assessed Valuation	2021 Assessed Valuation	2020 Assessed Valuation
Land	$ 158,315,688	$ 140,138,648	$ 82,772,145	$ 75,816,273	$ 70,065,637
Improvements	638,666,563	574,886,386	433,327,021	299,883,535	210,148,266
Personal Property	7,259,030	6,918,950	4,950,220	4,090,040	3,076,630
Exemptions	(98,478,011)	(125,061,695)	(55,859,122)	(34,627,822)	(23,801,713)
Total	$ 705,763,270	$ 596,882,289	$ 465,190,264	$ 345,162,026	$ 259,488,820

(a) Such amount does not include $366,030 of assessed valuation assigned to properties that remain under review by the Appraisal District. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal District, upon which the District will levy its tax.

Principal Taxpayers

The following are the principal taxpayers in the District as shown on the District's certified appraisal rolls for the 2024 tax year.

Taxpayer	Type of Property	Assessed Taxable Valuation 2024 Tax Roll
Balcara MSP Meridiana Property	Commercial	$ 17,425,860
Chesmar Homes LLC	Lots & Homes	7,303,164
GR-M1 LTD (a)	Land & Lots	6,825,221
Jersy Meridiana LLC	Commercial	4,375,000
Toll Southwest LLC	Lots & Homes	3,636,700
Upward America Central Property Owner	Lots & Homes	3,304,530
Highland Homes Houston LLC	Lots & Homes	2,633,450
CMM Acquisitions LLC	Commercial	2,608,428
DD 7E LP	Commercial	2,505,000
Perry Homes LLC	Lots & Homes	2,353,320
Total		$ 52,970,673
Percent of Respective Tax Roll		7.56 %

(a) See "PRINCIPAL LANDOWNERS/DEVELOPER."

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and not of the State of Texas, Brazoria County, Texas (the "County"); the City of Iowa Colony, Texas (the "City"); or any political subdivision other than the District, will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. Therefore, the ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District 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 representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. 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. See "DEVELOPMENT OF THE DISTRICT," "TAX DATA" and "TAXING PROCEDURES."

Effects of Hurricane Harvey

The greater City of Houston, Texas, area sustained widespread damage as a result of Hurricane Harvey's landfall along the Texas Gulf Coast on August 25, 2017, and historic levels of rainfall during the succeeding four days. The District is located in the County, which is located on the Texas Gulf Coast.

None of the structures in the District and none of the District's facilities sustained any significant damage as a result of Hurricane Harvey. The District cannot predict what impact Hurricane Harvey will ultimately have on the assessed value of land and improvements within the District. However, Hurricane Harvey could have a long-term impact on business activity and development in the District and the region.

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

Certain qualified taxpayers, including owners of residential homesteads, located within a disaster area and whose property has been damaged as a direct result of the disaster, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District if the 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.

Potential Effects of Oil Price Declines 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 within the District. The District cannot predict the impact that negative conditions in the oil industry could have on property values in the District.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development of the District is directly related to the vitality of the residential housing industry. New residential housing construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of home construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development or home construction in the District.

Principal Landowner/Developer: There is no commitment by or legal requirement of the principal landowners/developers or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any homebuilder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "DEVELOPMENT OF THE DISTRICT," "PRINCIPAL LANDOWNERS/DEVELOPERS" and "TAX DATA – Principal Taxpayers."

Dependence on Principal Taxpayers: The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. As illustrated in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's principal taxpayers in 2024 own approximately 7.56% of the District's total 2024 Assessed Taxable Valuation of property located within the District. GR-M1 LTD, an entity associated with Rise Communities, LLC (the "Developer"), owns approximately 0.97% or $6,825,221 of the District's total 2024 Assessed Taxable Valuation of property located within the District. In the event that the Developer, any other taxpayer, or any combination of taxpayers, should default in the payment of taxes in an amount which exceeds the surpluses in the Districts debt service funds, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax liens, which is a time-consuming process. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate. The District is not required by law or the Bond Resolution to maintain any specified amount of surplus in its interest and sinking fund. See "TAX DATA – Principal Taxpayers" and "TAXING PROCEDURES – Levy and Collection of Taxes."

Maximum Impact on District Tax Rates: Assuming no further development or home construction, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2024 Assessed Taxable Valuation of property located within the District is $706,129,300, and the Estimated Taxable Valuation as of December 1, 2024, is $794,679,860. After issuance of the Bonds, the maximum annual debt service requirement on the Outstanding Bonds and the Bonds will be $6,682,250 (2041) and the average annual debt service requirement on the Outstanding Bonds and the Bonds will be $5,964,532 (2024–2048). Assuming no increase to nor decrease from the 2024 Assessed Taxable Valuation, tax rates of $1.00 and $0.89 per $100 of Assessed Taxable Valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Assuming no increase to nor decrease from the Estimated Taxable Valuation as of December 1, 2024, tax rates of $0.89 and $0.80 per $100 of assessed taxable valuation at 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. The District has levied a total tax rate of $0.91 per $100 of assessed valuation for the 2024 tax year. Such rate is composed of a maintenance and operations tax rate of $0.06 per $100 of assessed valuation, a Utility System debt service tax rate of $0.54 per $100 of assessed valuation and a Road debt service tax rate of $0.31 per $100 of assessed valuation.

Competitive Nature of Residential Housing Market

The housing industry in the City of Houston, Texas, area is very competitive, but the District can give no assurance that the building programs which are planned by any home builder(s) will be continued or completed. The respective competitive position of the homebuilders listed herein and any other developer or homebuilder(s) which might attempt future home building or development projects in the District, 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, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in 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 (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property, or (d) the taxpayer's right to redeem the property within two years of foreclosure for residential homestead and agricultural use property and within six (6) months of foreclosure for other property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Moreover, the value of property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayers' right to redeem residential or agricultural use property within two (2) years of foreclosure and all other property within six (6) months of foreclosure. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. See "TAXING PROCEDURES."

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the registered owners of the Bonds (the "Registered Owners") have a right to seek a writ of mandamus requiring the District to levy sufficient taxes each year to make such payments. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the 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 limited further by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the District to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge.

Marketability

The District has no understanding (other than the initial reoffering yields) with the winning bidder of the Bonds (the "Initial Purchaser") 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 reserves in the Bond Resolution the right to issue the remaining $43,840,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds; and $41,170,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Park System and for the refunding of such bonds, and such additional bonds as may hereafter be approved by the voters of the District including additional bonds authorized to be issued by the voters of the District for the Road System. See "THE BONDS – Issuance of Additional Debt." The District has also reserved the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Resolution authorized by the voters of the District, which may be issued by the District from time to time as needed. Issuance of the remaining $43,840,000 of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and for the refunding of such bonds, as well as the remaining $41,170,000 of unlimited tax bonds for the purpose of acquiring or constructing parks and recreation facilities to serve the District and for the refunding of such bonds, is subject to approval by the TCEQ.

Following the issuance of the Bonds, the District will owe the Developer approximately $30,102,000 for expenditures relating to the acquisition or construction of the Utility System, the Road System, and the Park System serving the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See "THE BONDS – Issuance of Additional Debt."

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. The District prepared a parks master plan on November 3, 2009, and the District's voters authorized $41,170,000 in unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities to serve the District and for the refunding of such bonds. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of the park bond application for the issuance of bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas. The District has not considered the preparation of a parks bond application at this time. 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 at the time of issuance, unless effective June 14, 2021, 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 greater than three percent of the value of the taxable property 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."

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

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

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

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

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

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

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

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit

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

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on 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.

On May 25, 2023, the Supreme Court of the United States issued its decision in *Sackett* v. EPA, which clarified the definition of "waters of the United States" and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, "waters of the United States" includes only geographical features that are described in ordinary parlance as "streams, oceans, rivers, and lakes" and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of "waters of the United States" under the CWA to conform with the Supreme Court's decision.

While the *Sackett* decision and subsequent legislation removed a great deal of uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Changes in Tax Legislation

Certain tax legislation, 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.

Extreme Weather Events

The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey ("Harvey"), which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days.

During Harvey, land within the District sustained flooding due to historic rainfalls which caused Spring Creek to overflow its banks. According to Si Enviro (the "Operator") and EHRA Engineering, the District's water and sewer system operated without interruption throughout the event, however, the wastewater treatment plant sustained damage of the electrical system due to the flooding. According to the Developer, the Operator, and the Engineer, the flood waters caused structural flooding of approximately 10 occupied homes and 4 model homes within the District, the wastewater treatment plant and the recreation club house. The District's facilities are designed and constructed to elevations above the 100-year flood plain in accordance with all regulatory requirements. However, the District cannot predict whether flooding could occur in the event of another historic rain event that exceeds a 100-year event.

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 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. See "INVESTMENT CONSIDERATIONS – Factors Affecting Taxable Values and Tax Payments – Maximum Impact on District Tax Rates."

Potential Impact of Natural Disaster

The District is located near the Texas Gulf Coast and, as it has in the past, could be impacted by wide-spread fires, earthquakes, or weather events such as hurricanes, tornadoes, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates.

There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could a lengthy period in which assessed values in the District would be adversely affected. There can be no assurance the District will not sustain damage from such natural disasters.

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

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

Ongoing Negotiations with the City

Due to the City and the District's ongoing negotiations and upcoming mediation regarding the utility agreement to establish the terms and conditions under which the City will provide water supply and wastewater services to the District pursuant to the Agreement, it is uncertain when conveyance of the Facilities and the resulting elimination of the District's water and wastewater revenues will occur. An unanticipatedly early elimination of the District's water and wastewater revenue could necessitate an increase in the District's operation and maintenance tax rate for ongoing District operations. While negotiations are ongoing, it is unknown how long such negotiations will take or what the outcome of such negotiations will be. Furthermore, if the City successfully argues that the Leased Plants must be removed once the Permanent Plant becomes operational, there may be delays in development and an increase in the District's debt service tax rate. An increase in the operation and maintenance tax rate may not fully compensate for the lost water and sewer revenues, and a debt service tax rate increase might not be sufficient to reimburse the Developer for any expansions to the Permanent Plant that the City may require to be constructed earlier than anticipated. Both of these factors could potentially slow down the rate of development within the District.

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, however, does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement.

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 applicable bond insurance policy on the Bonds, (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the bond insurer at such time and in such amounts as would have been due absence such prepayment by the District unless the bond insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the bond insurer without appropriate consent. The bond insurer may direct and must consent to any remedies and the bond insurer's consent may be required in connection with amendments to any applicable bond documents.

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

The long-term ratings on the Bonds are dependent in part on the financial strength of the bond insurer and its claim paying ability. The bond insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the bond insurer and of the ratings on the Bonds insured by the bond insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "MUNICIPAL BOND INSURANCE" and "RATINGS."

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

Neither the District or Initial Purchaser has made independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the bond insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" herein for further information provided by the bond insurer and the Policy, which includes further instructions for obtaining current financial information concerning the bond insurer.

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District and based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds; the approving legal opinion of Bond Counsel, to a like effect, and to the effect that, 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.

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS (except for information under the subheadings "Book-Entry-Only System," "Use and Distribution of Proceeds of the Bonds," "THE DISTRICT – Authority," "TAXING PROCEDURES," "LEGAL MATTERS," "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 it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

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

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 Internal Revenue Code of 1986, as amended imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds and the source of repayment, limitations on the investment of proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond 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 purpose, and in addition, will rely on representations by the District and the Initial Purchaser with respect to matters solely within the knowledge of the District and the Initial Purchaser, 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 of interest on tax-exempt obligations such as the Bonds are in many cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

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

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

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

Tax Accounting Treatment of Original Issue Discount Bonds

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

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

The foregoing is based on the assumptions that (a) the Initial Purchaser have 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.

Not Qualified Tax-Exempt Obligations

The Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe these agreements 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, as well as timely notice of specified events, to the Municipal Securities Rulemaking Board or any successor to its function as a repository (the "MSRB"), through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB. The information to be updated with respect to the District includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement included under the headings "DISTRICT DEBT" (except for the subheading "– Estimated Direct and Overlapping Debt Statement"), "TAX DATA," and in "APPENDIX A." The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2025. The District will provide the updated information to the MSRB.

Any information so provided shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six month period, and audited financial statements when and if the audit report becomes available. The District's current fiscal year end is March 31. Accordingly, it must provide updated information by the last day in September in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt 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; (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 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 obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or 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 information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from EMMA

The District has agreed to provide the information only to the MSRB. The MSRB has prescribed that such information must be filed via EMMA. The MSRB makes the information available to the public without charge and investors will be able to access 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 material events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement, or from any statement made pursuant to its agreement, although holders and beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

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

Compliance with Prior Undertakings

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

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the Developer, the District's records, 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, except as described below. 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.

Experts

The information contained in the Official Statement relating to engineering and to the description of the Utility System, and, in particular, that engineering information included in the sections entitled "THE DISTRICT – Description" and "THE UTILITY SYSTEM," and "THE ROAD SYSTEM" has been provided by Edminster, Hinshaw, Russ and Associates, Inc. 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 "TAX DATA" and "DISTRICT DEBT" was provided by Assessments of the Southwest, Inc. and the Appraisal District. Such information has been included herein in reliance upon Assessments of the Southwest, Inc.'s authority 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 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, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District in writing on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

CONCLUDING STATEMENT

The information set forth herein has been obtained from the District's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

This Official Statement was approved by the Board of Directors of Brazoria County Municipal Utility District No. 55 as of the date shown on the cover page.

/s/ Emily Ortega
President, Board of Directors
Brazoria County Municipal Utility District No. 55

ATTEST:

/s/ Leanne Riman
Assistant Secretary, Board of Directors
Brazoria County Municipal Utility District No. 55

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 55

BRAZORIA COUNTY, TEXAS

FINANCIAL REPORT

March 31, 2024

Table of Contents

	Schedule	Page
Independent Auditor's Report		1
Management's Discussion and Analysis		7
BASIC FINANCIAL STATEMENTS		
Statement of Net Position and Governmental Funds Balance Sheet		18
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances		19
Notes to Financial Statements		21
REQUIRED SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule – General Fund		42
Notes to Required Supplementary Information		43
TEXAS SUPPLEMENTARY INFORMATION		
Services and Rates	TSI-1	46
General Fund Expenditures	TSI-2	48
Investments	TSI-3	49
Taxes Levied and Receivable	TSI-4	50
Long-Term Debt Service Requirements by Years	TSI-5	51
Change in Long-Term Bonded Debt	TSI-6	68
Comparative Schedule of Revenues and Expenditures – General Fund	TSI-7a	72
Comparative Schedule of Revenues and Expenditures – Debt Service Fund	TSI-7b	74
Board Members, Key Personnel and Consultants	TSI-8	76

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. 55
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. 55 (the "District"), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Brazoria County Municipal Utility District No. 55, as of March 31, 2024, 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
July 11, 2024

(This page intentionally left blank)

Management's Discussion and Analysis

(This page intentionally left blank)

Using this Annual Report

Within this section of the financial report of Brazoria County Municipal Utility District No. 55 (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 March 31, 2024. 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 March 31, 2024, was negative $65,087,956. The District's net position is negative because the District incurs debt to construct road facilities and certain storm drainage facilities which it conveys to the City of Iowa Colony. A comparative summary of the District's overall financial position, as of March 31, 2024 and 2023, is as follows:

	2024	2023
Current and other assets	$ 8,888,328	$ 7,842,751
Capital assets	58,155,014	55,895,374
Total assets	67,043,342	63,738,125
Current liabilities	3,183,435	7,152,408
Long-term liabilities	128,947,863	115,552,631
Total liabilities	132,131,298	122,705,039
Net position		
Net investment in capital assets	(14,283,562)	(11,173,548)
Restricted	5,531,261	4,276,973
Unrestricted	(56,335,655)	(52,070,339)
Total net position	$ (65,087,956)	$ (58,966,914)

The total net position of the District decreased during the current fiscal year by $6,121,042. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2024	2023
Revenues		
Property taxes, penalties and interest	$ 5,333,935	$ 4,169,968
Water and sewer service	1,444,623	1,264,550
Other	851,671	620,160
Total revenues	7,630,229	6,054,678
Expenses		
Current service operations	2,378,080	1,618,002
Debt interest and fees	2,714,611	1,779,085
Developer interest	3,239,851	2,475,000
Debt issuance costs	1,427,162	1,378,117
Depreciation/amortization	1,370,542	1,158,601
Total expenses	11,130,246	8,408,805
Change in net position before other items	(3,500,017)	(2,354,127)
Other items		
Transfers to other governments	(2,621,025)	(15,373,340)
Change in net position	(6,121,042)	(17,727,467)
Net position, beginning of year	(58,966,914)	(41,239,447)
Net position, end of year	$ (65,087,956)	$ (58,966,914)

Financial Analysis of the District's Funds

The District's combined fund balances, as of March 31, 2024, were $8,081,950, which consists of $1,870,611 in the General Fund, $5,792,300 in the Debt Service Fund, and $419,039 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of March 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	$ 2,475,603	$ 2,365,059
Total liabilities	$ 593,503	$ 460,639
Total deferred inflows	11,489	6,204
Total fund balance	1,870,611	1,898,216
Total liabilities, deferred inflows and fund balance	$ 2,475,603	$ 2,365,059

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

	2024	2023
Total revenues	$ 2,430,426	$ 2,260,752
Total expenditures	(2,497,185)	(1,802,237)
Revenues over/(under) expenditures	(66,759)	458,515
Other changes in fund balance	39,154	(979,520)
Net change in fund balance	$ (27,605)	$ (521,005)

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, the provision of water and sewer services to customers within the District and tap connection fees charged to homebuilders in the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues dependent upon assessed values in the District and the maintenance tax rate set by the District. While assessed values in the District increased from the prior year, property tax revenues decreased because the District decreased the maintenance component of the levy.
- Water and sewer revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Tap connection fees fluctuate with homebuilding activity within the District.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of March 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	$ 5,993,686	$ 4,451,914
Total liabilities	$ 12,320	$ 16,692
Total deferred inflows	189,066	58,952
Total fund balance	5,792,300	4,376,270
Total liabilities, deferred inflows and fund balance	$ 5,993,686	$ 4,451,914

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

	2024	2023
Total revenues	$ 5,041,393	$ 3,780,308
Total expenditures	(3,846,566)	(2,725,032)
Revenues over expenditures	1,194,827	1,055,276
Other changes in fund balance	221,203	425,275
Net change in fund balance	$ 1,416,030	$ 1,480,551

The District's financial resources in the Debt Service Fund in both the current and prior fiscal year are from property tax revenues and capitalized interest from the sale of bonds 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 March 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	$ 419,039	$ 1,025,778
Total liabilities	$ -	$ 381,964
Total fund balance	419,039	643,814
Total liabilities and fund balance	$ 419,039	$ 1,025,778

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

	2024	2023
Total revenues	$ 23,010	$ 20,256
Total expenditures	(14,777,428)	(20,949,250)
Revenues under expenditures	(14,754,418)	(20,928,994)
Other changes in fund balance	14,529,643	21,191,960
Net change in fund balance	$ (224,775)	$ 262,966

The District has had considerable capital asset activity in the last two fiscal years, which was financed with proceeds from the issuance of its Series 2023 Unlimited Tax Bonds and Series 2023A Unlimited Tax Road Bonds in the current fiscal year and proceeds from the sale of its Series 2022 Bond Anticipation Note, Series 2022 Unlimited Tax Bonds, Series 2023 Unlimited Tax Road Bonds and Series 2023 Bond Anticipation Note in the prior fiscal year.

General Fund Budgetary Highlights

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

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $720,625 less than budgeted. The *Budgetary Comparison Schedule* on page 42 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developer for the financing of the construction of capital assets within the District. The developer 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 March 31, 2024 and 2023, are summarized as follows:

	2024	2023
Capital assets not being depreciated		
Land and improvements	$ 15,316,417	$ 15,316,417
Construction in progress		1,224,653
	15,316,417	16,541,070
Capital assets being depreciated/amortized		
Infrastructure	47,643,162	42,788,327
Right-to-use leased asset	1,162,764	1,162,764
	48,805,926	43,951,091
Less accumulated depreciation/amortization		
Infrastructure	(5,356,345)	(4,291,295)
Right-to-use leased asset	(610,984)	(305,492)
	(5,967,329)	(4,596,787)
Depreciable capital assets, net	42,838,597	39,354,304
Capital assets, net	$ 58,155,014	$ 55,895,374

Capital asset additions during the current fiscal year include water and sewer facilities to serve Meridiana Sections 55A and 58B and water plant no. 1 expansion.

The City of Iowa Colony assumes responsibility for all storm sewer systems constructed in public streets and road facilities constructed within the City. Consequently, these projects are not recorded as capital assets on the District's financial statements but are recorded as transfers to other governments upon completion of construction. For the year ended March 31, 2024, capital assets in the amount of $2,621,025 have been completed and recorded as transfers to other governments in the government-wide statements. Additional information is presented in Note 11.

Lease Obligations

The District has entered into various equipment lease obligations for interim wastewater treatment plants. The District recognized right-to-use leased assets and lease obligations in the amount of $1,162,764 for these leases. The balance due for the leases as of March 31, 2024, was $575,921. See Note 8 for additional information.

Long-Term Debt and Related Liabilities

As of March 31, 2024, the District owes approximately $48,011,369 to its developer for completed projects and operating advances. 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. As discussed in Note 7, the District has an additional commitment in the amount of $9,014,686 for projects under construction by the developer. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At March 31, 2024 and 2023, the District had total bonded debt outstanding as shown below:

Series	2024	2023
2016	$ 2,065,000	$ 2,145,000
2017	4,490,000	4,645,000
2017 Road	2,805,000	2,900,000
2018	2,850,000	2,955,000
2018 Road	2,915,000	3,005,000
2019	4,775,000	4,920,000
2019 Road	3,955,000	4,075,000
2020	6,630,000	6,810,000
2020 Road	2,825,000	2,915,000
2021	9,595,000	9,900,000
2021 Road	5,140,000	5,305,000
2022	8,110,000	8,110,000
2023 Road	7,290,000	7,290,000
2023	9,795,000	
2023A Road	9,300,000	
	$ 82,540,000	$ 64,975,000

During the current fiscal year, the District issued $9,795,000 in unlimited tax bonds and $9,300,000 in unlimited tax road bonds. At March 31, 2024, the District had $61,805,000 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; $41,170,000 for parks and recreational facilities and the refunding of such bonds. The District has no remaining amount authorized, but unissued for road improvements 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 water/sewer services and the projected cost of operating the District and providing services to customers. A comparison of next year's budget to current fiscal year actual amounts for the General Fund is as follows:

	2024 Actual	2025 Budget
Total revenues	$ 2,430,426	$ 2,401,000
Total expenditures	(2,497,185)	(1,998,158)
Revenues over/(under) expenditures	(66,759)	402,842
Other changes in fund balance	39,154	
Net change in fund balance	(27,605)	402,842
Beginning fund balance	1,898,216	1,870,611
Ending fund balance	$ 1,870,611	$ 2,273,453

Property Taxes

The District's property tax base increased approximately $137,022,000 for the 2024 tax year from $597,900,087 to $734,922,335, based on preliminary values. This increase was primarily due to new construction in the District and increased property values.

(This page intentionally left blank)

Basic Financial Statements

Brazoria County Municipal Utility District No. 55
Statement of Net Position and Governmental Funds Balance Sheet
March 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 201,779	$ 259,509	$ -	$ 461,288	$ -	$ 461,288
Investments	1,779,142	5,597,135	568,015	7,944,292		7,944,292
Taxes receivable	11,489	189,066		200,555		200,555
Customer service receivables	163,104			163,104		163,104
Internal balances	201,000	(52,024)	(148,976)			
Prepaid items	109,878			109,878		109,878
Other receivables	9,211			9,211		9,211
Capital assets not being depreciated					15,316,417	15,316,417
Capital assets, net					42,838,597	42,838,597
Total Assets	$ 2,475,603	$ 5,993,686	$ 419,039	$ 8,888,328	58,155,014	67,043,342
Liabilities						
Accounts payable	$ 218,644	$ -	$ -	$ 218,644		218,644
Other payables	31,972	12,320		44,292		44,292
Customer deposits	295,800			295,800		295,800
Builder deposits	25,500			25,500		25,500
Unearned revenue	16,356			16,356		16,356
Due to other governments	5,231			5,231		5,231
Accrued interest payable					450,105	450,105
Due to developer					48,011,369	48,011,369
Lease obligations						
Due within one year					232,507	232,507
Due after one year					343,414	343,414
Long-term debt						
Due within one year					1,895,000	1,895,000
Due after one year					80,593,080	80,593,080
Total Liabilities	593,503	12,320		605,823	131,525,475	132,131,298
Deferred Inflows of Resources						
Deferred property taxes	11,489	189,066		200,555	(200,555)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	109,878			109,878	(109,878)	
Restricted		5,792,300	419,039	6,211,339	(6,211,339)	
Unassigned	1,760,733			1,760,733	(1,760,733)	
Total Fund Balances	1,870,611	5,792,300	419,039	8,081,950	(8,081,950)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,475,603	$ 5,993,686	$ 419,039	$ 8,888,328		
Net Position						
Net investment in capital assets					(14,283,562)	(14,283,562)
Restricted for debt service					5,531,261	5,531,261
Unrestricted					(56,335,655)	(56,335,655)
Total Net Position					$ (65,087,956)	$ (65,087,956)

See notes to basic financial statements.

Brazoria County Municipal Utility District No. 55
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	$ 784,385	$ -	$ -	$ 784,385	$ -	$ 784,385
Sewer service	660,238			660,238		660,238
Property taxes	321,772	4,832,484		5,154,256	124,418	5,278,674
Penalties and interest	24,289	19,990		44,279	10,982	55,261
Groundwater pumpage fees	6,010			6,010		6,010
Tap connection and inspection	509,322			509,322		509,322
Miscellaneous	39,185	14,036		53,221		53,221
Investment earnings	85,225	174,883	23,010	283,118		283,118
Total Revenues	2,430,426	5,041,393	23,010	7,494,829	135,400	7,630,229
Expenditures/Expenses						
Current service operations						
Professional fees	314,641		281,057	595,698		595,698
Contracted services	544,010	59,163		603,173		603,173
Repairs and maintenance	664,907			664,907		664,907
Lease expense	123,900			123,900		123,900
Utilities	125,233			125,233		125,233
Groundwater pumpage fees	3,600			3,600		3,600
Administrative	218,465	6,145		224,610		224,610
Other	28,224	7,500	1,235	36,959		36,959
Capital outlay	141,805		9,684,548	9,826,353	(9,826,353)	
Debt service						
Principal		1,530,000		1,530,000	(1,530,000)	
Interest and fees		2,243,758	143,575	2,387,333	294,742	2,682,075
Developer interest			3,239,851	3,239,851		3,239,851
Debt issuance costs			1,427,162	1,427,162		1,427,162
Lease - principal	299,864			299,864	(299,864)	
Lease - interest	32,536			32,536		32,536
Depreciation/amortization					1,370,542	1,370,542
Total Expenditures/Expenses	2,497,185	3,846,566	14,777,428	21,121,179	(9,990,933)	11,130,246
Revenues Over/(Under) Expenditures/Expenses	(66,759)	1,194,827	(14,754,418)	(13,626,350)	10,126,333	(3,500,017)
Other Financing Sources/(Uses)						
Proceeds from sale of bonds		221,203	18,873,797	19,095,000	(19,095,000)	
Repayment of bond anticipation note			(4,305,000)	(4,305,000)	4,305,000	
Internal transfers	39,154		(39,154)			
Other Items						
Transfers to other governments					(2,621,025)	(2,621,025)
Net Change in Fund Balances	(27,605)	1,416,030	(224,775)	1,163,650	(1,163,650)	
Change in Net Position					(6,121,042)	(6,121,042)
Fund Balances/Net Position						
Beginning of the year	1,898,216	4,376,270	643,814	6,918,300	(65,885,214)	(58,966,914)
End of the year	$ 1,870,611	$ 5,792,300	$ 419,039	$ 8,081,950	$ (73,169,906)	$ (65,087,956)

See notes to basic financial statements.

(This page intentionally left blank)

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Brazoria County Municipal Utility District No. 55 (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 August 16, 2007, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on August 28, 2007, and the first bonds were issued on December 13, 2016.

The District's primary activities include construction of water, sewer, drainage, park and recreational, and road facilities within the District. As further discussed in Note 11, the District transfers road facilities and certain storm sewer facilities to the City of Iowa Colony 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's water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees and tap connection fees. 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, park and recreational, and road facilities.

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

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the 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, interest earned on investments and income from District operations. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

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

Use of Restricted Resources

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

Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

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 March 31, 2024, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

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. Right-to-use leased assets are valued at the present value of lease payments. 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.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Depreciable capital assets, which primarily consist of water, wastewater, and certain drainage facilities, are depreciated (or amortized in the case of intangible assets) using the straight-line method as follows:

Assets	Useful Life
Infrastructure	15-45 years
Right-to-use leased assets	5 years (max)

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

Deferred Inflows and Outflows of Financial Resources

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

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.

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's nonspendable fund balance consists of prepaid items.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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 and capitalized interest 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.

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 value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to the City of Iowa Colony and the value of capital assets for which the developer has 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 balances, governmental funds		$ 8,081,950
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 64,122,343	
Less accumulated depreciation/amortization	(5,967,329)	
Change due to capital assets		58,155,014
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	(82,488,080)	
Interest payable on bonds	(450,105)	
Change due to long-term debt		(82,938,185)
Amounts due to the District's developer for prefunded construction are recorded as a liability in the *Statement of Net Position.*		(48,011,369)
Obligations under lease agreements are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(575,921)
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.		200,555
Total net position - governmental activities		$ (65,087,956)

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

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

Net change in fund balances - total governmental funds		$ 1,163,650
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 penalties and interest.		135,400
Governmental funds report capital outlays for developer reimbursements and construction costs as expenditures in the funds; however, in the *Statement of Activities*, the cost of capital assets is charged to expense over the estimated useful life of the asset. Other assets are recorded as transfers to other governments.		
Capital outlays	$ 9,826,353	
Depreciation/amortization expense	(1,370,542)	
Transfers to other governments	(2,621,025)	
		5,834,786
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government-wide statements.		
Issuance of long-term debt	(19,095,000)	
Principal payments	1,530,000	
Repayment of bond anticipation note	4,305,000	
Interest expense accrual	(294,742)	
		(13,554,742)
Governmental funds report the principal portion of lease payments as expenditures in the funds; however, in the *Statement of Net Position*, these principal payments are recorded as a reduction to the long-term lease liability.		299,864
Change in net position of governmental activities		$ (6,121,042)

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

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

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, 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 March 31, 2024, the District's investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
Certificates of deposit	General	$ 230,000	0%	N/A	N/A
TexSTAR	General	1,549,142			
	Debt Service	5,597,135			
	Capital Projects	568,015			
		7,714,292	100%	AAAm	35 days
Total		$ 7,944,292	100%		

Note 3 – Deposits and Investments (continued)

Investments (continued)

The District's investments in certificates of deposit are reported at cost.

TexSTAR

The Texas Short Term Asset Reserve fund ("TexSTAR") is managed by Hilltop Securities, and J.P. Morgan Investment Management, Inc. Hilltop Securities provides participant and marketing services while J.P. Morgan provides investment management services. Custodial and depository services are provided by J.P. Morgan Chase Bank N.A. or its subsidiary.

TexSTAR uses amortized cost rather than fair value to report net assets to compute share price. Accordingly, investments in TexSTAR are stated at amortized cost which approximates fair value. Investments in TexSTAR 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 March 31, 2024, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 41,709	Maintenance tax collections not remitted as of year end
General Fund	Debt Service Fund	10,315	Paying agent fees and arbitrage expense paid by the General Fund
General Fund	Capital Projects Fund	148,976	Bond application fees, engineering and construction costs paid by the General Fund

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

During the current fiscal year, the District's Capital Projects Fund reimbursed the General Fund $39,154 for bond application costs paid by the General Fund in the prior fiscal year.

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended March 31, 2024, is as follows:

	Beginning Balances	Additions/ Adjustments	Retirements	Ending Balances
Capital assets not being depreciated				
Land and improvements	$ 15,316,417	$ -	$ -	$ 15,316,417
Construction in progress	1,224,653		(1,224,653)	
	16,541,070		(1,224,653)	15,316,417
Capital assets being depreciated/amortized				
Infrastructure	42,788,327	4,854,835		47,643,162
Right-to-use leased asset	1,162,764			1,162,764
	43,951,091	4,854,835		48,805,926
Less accumulated depreciation/amortization				
Infrastructure	(4,291,295)	(1,065,050)		(5,356,345)
Right-to-use leased asset	(305,492)	(305,492)		(610,984)
	(4,596,787)	(1,370,542)		(5,967,329)
Subtotal depreciable capital assets, net	39,354,304	3,484,293		42,838,597
Capital assets, net	$ 55,895,374	$ 3,484,293	$ (1,224,653)	$ 58,155,014

Depreciation/amortization expense for the current fiscal year was $1,370,542.

Note 6 – Bond Anticipation Note

The District uses a bond anticipation note ("BAN") to provide short-term financing for reimbursements to its developer. Despite its short-term nature, a BAN is not recorded as a fund liability since it will not be repaid from current financial resources and will be repaid through the issuance of long-term debt or another BAN. It is, however, recorded as a liability at the government-wide level.

At the beginning of the fiscal year, the District had a BAN outstanding in the amount of $4,305,000. This BAN was repaid on December 14, 2023 with proceeds from the issuance of the District's Series 2023 Unlimited Tax Bonds.

The effect of this transaction on the District's short-term obligations are as follows:

Beginning balance	$ 4,305,000
Amounts repaid	(4,305,000)
Ending balance	$ -

Note 7 – Due to Developer

The District has entered into financing agreements with its developer for the financing of the construction of water, sewer, drainage, and park and recreational facilities and road improvements. Under the agreements, the developer will advance funds for the construction of facilities to serve the District. The developer 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 developer is reimbursed.

Changes in the estimated amounts due to developer during the fiscal year are as follows:

Due to developer, beginning of year	$	51,586,515
Developer funded construction and adjustments		5,475,237
Developer reimbursements		(9,050,383)
Due to developer, end of year	$	48,011,369

In addition, the District will owe the developer approximately $9,014,686 which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

		Contract Amount	Percent Complete
Meridiana Section 35A	$	2,636,056	5%
Wastewater Treatment Plant Expansion Phase 4 - 0.98 MGD		6,378,630	0%
	$	9,014,686	

Note 8 – Lease Obligations

On July 12, 2018, the District entered into an equipment lease agreement for expansion of the wastewater treatment plant. This lease is for a 60-month term at an estimated incremental borrowing rate of 4.40% with payments commencing June 1, 2019. The lease agreement shall automatically be extended on a month-to-month basis after the initial term, unless otherwise terminated. The District recognized a lease liability and an intangible right-to-use leased asset in the amount of $196,811, which is measured at the present value of future payments. The remaining balance of the liability at March 31, 2024, is $15,817. The District is responsible for all ordinary expenses related to repairing and maintaining the equipment. Monthly payments for the lease are $7,950. Total annual payments were $95,400, which included principal of $92,484 and interest of $2,916.

Note 8 – Lease Obligations (continued)

On July 16, 2020, and subsequently amended December 10, 2020, the District entered into an Equipment Lease Agreement for the expansion of the wastewater treatment plant. This lease is for a 60-month term at an estimated incremental borrowing rate of 4.40% with payments commencing October 1, 2021. The lease agreement shall automatically be extended on a month-to-month basis after the initial term, unless otherwise terminated. The District recognized a lease liability and an intangible right-to-use leased asset in the amount of $965,953, which is measured at the present value of future payments. The remaining balance of the liability at March 31, 2024, is $560,104. The District is responsible for all ordinary expenses related to repairing and maintaining the equipment. Monthly payments for the lease are $19,750. Total annual payments were $237,000, which included principal of $207,380 and interest of $29,620.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

Year	Principal	Interest	Total
2025	$ 232,507	$ 20,393	$ 252,900
2026	226,420	10,580	237,000
2027	116,994	1,506	118,500
	$ 575,921	$ 32,479	$ 608,400
Due within one year	$ 232,507	$ 20,393	$ 252,900

Standard lease terms require the District to prepay the last month's lease payment upon inception of the leases. As of March 31, 2024, the District has prepaid $78,937 for the last month's lease payments and the April 2024 lease payments. All such amounts are recorded as prepaid items on the *Statement of Net Position.*

Note 9 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 82,540,000
Unamortized discounts	(51,920)
	$ 82,488,080
Due within one year	$ 1,895,000

Note 9 – Long-Term Debt (continued)

The District's bonds payable at March 31, 2024, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2016 Road	$ 2,065,000	$ 2,500,000	3.25% - 4.50%	September 1, 2018 - 2041	September 1, March 1	September 1, 2024
2017	4,490,000	5,215,000	2.00% - 3.875%	September 1, 2019 - 2042	September 1, March 1	September 1, 2025
2017 Road	2,805,000	3,255,000	2.00% - 4.00%	September 1, 2019 - 2042	September 1, March 1	September 1, 2025
2018	2,850,000	3,360,000	3.00% - 5.50%	September 1, 2020 - 2043	September 1, March 1	September 1, 2026
2018 Road	2,915,000	3,250,000	3.50% - 6.00%	September 1, 2020 - 2043	September 1, March 1	September 1, 2026
2019	4,775,000	5,195,000	2.00% - 4.00%	September 1, 2021 - 2045	September 1, March 1	September 1, 2024
2019 Road	3,955,000	4,300,000	2.00% - 4.00%	September 1, 2021 - 2045	September 1, March 1	September 1, 2024
2020	6,630,000	6,980,000	2.00% - 4.50%	September 1, 2022 - 2045	September 1, March 1	September 1, 2025
2020 Road	2,825,000	3,000,000	2.00% - 4.50%	September 1, 2022 - 2045	September 1, March 1	September 1, 2025
2021	9,595,000	9,900,000	1.50% - 4.00%	September 1, 2023 - 2046	September 1, March 1	September 1, 2027
2021 Road	5,140,000	5,305,000	1.50% - 4.00%	September 1, 2023 - 2046	September 1, March 1	September 1, 2027
2022	8,110,000	8,110,000	4.50% - 5.00%	September 1, 2024 - 2047	September 1, March 1	September 1, 2029
2023 Road	7,290,000	7,290,000	4.00% - 6.50%	September 1, 2024 - 2048	September 1, March 1	September 1, 2029
2023	9,795,000	9,795,000	4.00% - 6.50%	September 1, 2025 - 2048	September 1, March 1	September 1, 2029
2023A Road	9,300,000	9,300,000	4.00% - 6.50%	September 1, 2025 - 2048	September 1, March 1	September 1, 2029
	$ 82,540,000					

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.

Note 9 – Long-Term Debt (continued)

At March 31, 2024, the District had authorized but unissued bonds in the amount of $61,805,000 for water, sewer and drainage facilities and the refunding of such bonds; $41,170,000 for park and recreational facilities and the refunding of such bonds. The District has no remaining bond authorization for road improvements and the refunding of such bonds.

On December 14, 2023 the District issued its $9,795,000 Series 2023 Unlimited Tax Bonds at a net effective interest rate of 4.869124%. Proceeds of the bonds were used to (1) reimburse its developer for the cost of capital assets constructed within the District and the acquisition of land for certain District facilities, (2) to pay developer expense at the net effective interest rate of the bonds; and (3) to repay a $4,305,000 BAN issued in the previous fiscal year.

Additionally, on December 14, 2023, the District issued its $9,300,000 Series 2023A Unlimited Tax Road Bonds at a net effective interest rate of 4.863237%. Proceeds of the bonds were used (1) to reimburse developer for the cost of roads constructed within the District, and the acquisition of land for certain District facilities, (2) to pay developer expense at the net effective interest rate of the bonds and (3) to pay capitalized interest into the Debt Service Fund.

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

Bonds payable, beginning of year	$	64,975,000
Bonds issued		19,095,000
Bonds retired		(1,530,000)
Bonds payable, end of year	$	82,540,000

Note 9 – Long-Term Debt (continued)

As of March 31, 2024, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2025	$ 1,895,000	$ 3,235,389	$ 5,130,389
2026	2,380,000	2,946,708	5,326,708
2027	2,475,000	2,840,530	5,315,530
2028	2,565,000	2,734,556	5,299,556
2029	2,670,000	2,631,742	5,301,742
2030	2,770,000	2,526,064	5,296,064
2031	2,870,000	2,417,644	5,287,644
2032	2,985,000	2,312,752	5,297,752
2033	3,095,000	2,208,054	5,303,054
2034	3,220,000	2,099,529	5,319,529
2035	3,345,000	1,986,342	5,331,342
2036	3,475,000	1,868,734	5,343,734
2037	3,610,000	1,745,871	5,355,871
2038	3,750,000	1,614,411	5,364,411
2039	3,900,000	1,474,593	5,374,593
2040	4,060,000	1,328,019	5,388,019
2041	4,225,000	1,173,436	5,398,436
2042	4,390,000	1,010,160	5,400,160
2043	4,415,000	842,298	5,257,298
2044	4,385,000	682,241	5,067,241
2045	4,325,000	533,611	4,858,611
2046	4,480,000	385,082	4,865,082
2047	3,055,000	251,393	3,306,393
2048	2,340,000	138,937	2,478,937
2049	1,860,000	42,244	1,902,244
	$ 82,540,000	$ 41,030,340	$ 123,570,340

Note 10 – Property Taxes

On November 6, 2007, 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. On May 10, 2008, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing the operation and maintenance of road facilities limited to $0.25 per $100 of assessed value. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

Note 10 – Property Taxes (continued)

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.

Property taxes are collected based on rates adopted in the year of the levy. The District's 2024 fiscal year was financed through the 2023 tax levy, pursuant to which the District levied property taxes of $0.885 per $100 of assessed value, of which $0.055 was allocated to maintenance and operations and $0.46 was allocated to debt service and $0.37 was allocated to road debt service. The resulting tax levy was $5,291,416 on the adjusted taxable value of $597,900,087.

Property taxes receivable, at March 31, 2024, consisted of the following:

Current year taxes receivable	$ 181,461
Prior years taxes receivable	2,228
	183,689
Penalty and interest receivable	16,866
Property taxes receivable	$ 200,555

Note 11 – Transfers to Other Governments

The City of Iowa Colony assumes responsibility for the maintenance of storm sewer systems constructed in public streets, and road facilities within the District. Accordingly, these facilities are considered to be capital assets of the City of Iowa Colony, not the District. The estimated cost of each project is trued-up when the developer is subsequently reimbursed. For the year ended March 31, 2024, the District recorded transfers to other governments in the amount of $2,621,025 for storm sewer systems and road facilities constructed by the developer within the District, land acquisitions and adjustments to the value of projects completed in previous fiscal years.

Note 12 – Lease Agreement

On October 14, 2014, the District entered into an equipment lease agreement for a temporary wastewater treatment plant. The initial term of this 60-month expired on May 1, 2021. The lease is currently on a month-to-month basis. Accordingly, the District does not have an associated lease obligation because the payments are month to month. Monthly payments for the lease are $10,325 with a total cost for the current fiscal year of $123,900. Standard lease terms required the District to prepay the last month's lease payment upon inception of the lease. All such amounts are recorded as a prepaid expense on the *Statement of Net Position.* The District is responsible for all ordinary expenses related to repairing and maintaining the equipment.

Note 13 – Shared Facilities Agreement with the City of Iowa Colony

On February 15, 2011, the District entered into a Shared Financing Agreement (the "Agreement") with the City of Iowa Colony, Texas (the "City"), Reinvestment Zone Number Two, City of Iowa Colony, Texas (the "Zone") and Iowa Colony Development Authority (the "Authority") for the purpose of constructing TIRZ Projects which include various public works and improvements. The Authority and the District agree to assist the City and the Zone in the implementation of the TIRZ Projects and in the funding, ownership, operation, and maintenance of the TIRZ Projects. The District will act as Project Manager for the TIRZ projects set out in the Agreement and will give written notice to the Authority Board before initiating the design or construction of a TIRZ project for approval. Upon completion of TIRZ Project construction, the project shall be conveyed to the responsible party as stated in the Agreement.

For any year in which the City collects or receives Tax Increment, the City will pay such Tax Increment to the Authority. For any year the Authority receives payments from the City, the amount of Project Costs to be paid from Tax Increment by the Authority ("TIRZ Share") to the District is the percentage of the actual project costs set out in the Agreement. The District will begin to receive TIRZ Share payments no later than thirty days prior to the fall principal and interest payment date subsequent to the District issuance of bonds.

The term of the Agreement will expire on the later of January 1 in the year following completion of the TIRZ plan or the date that the Developer has been repaid in full for all eligible project costs. As of March 31, 2024, certain projects in the Zone have been completed and the District is in process of conveying assets to the City and submitting documentation for reimbursement. The date of conveyance, value of assets to be conveyed and amount of reimbursement are not known as of fiscal year end.

Note 14 – Interim Wastewater Capacity Supply Agreement

On March 9, 2023, the District approved the Second Amended and Restated Interim Wastewater Capacity Supply Agreement with Brazoria County Municipal Utility District No. 56 ("MUD 56"). Pursuant to the agreement, the District agrees to provide MUD 56 interim wastewater capacity supply during the time MUD 56 is constructing its wastewater treatment plant. The District will have final ownership to the interim wastewater capacity. Each district is billed for its proportionate share of maintenance and operating expenditures based on the active equivalent single-family connections. The agreement shall be in force until MUD 56 completes construction of its wastewater treatment plant unless terminated by either party. During the current year, MUD 56 completed the construction of its wastewater treatment plant. As of March 31, 2024, the District has not billed for any such costs.

Note 15 – Interconnect and Interim Water Supply Agreement

On November 18, 2021, the District approved the Second Amended and Restated Interconnect and Interim Water Supply Agreement (the "Agreement") with MUD 56. MUD 56 has agreed to provide the District with interim water supply up to a maximum of 1,000 equivalent single-family connections ("ESFC") until the District has constructed sufficient capacity within its system to serve the area within its boundaries. On November 9, 2023, the District approved the First Amendment to the Second Amended and Restated Interconnect and Interim Water Supply Agreement with MUD 56 to reduce the water supply to a maximum of 500 ESFCs during the Interim Term. The term of the agreement is 40 years.

Each District shall pay its proportionate share of the operation and maintenance expenditures. The District is responsible for the construction of the joint water facilities and MUD 56 shall reimburse the District for the construction costs related to the MUD 56 water line no later than January 31, 2023. During the prior year, MUD 56 reimbursed the District for its share of the construction costs. Additionally, the District assigned MUD 56 all rights, maintenance bonds, warranties and manufacturer's warranties, if any, owned or acquired by the District for MUD 56's portion of the water line.

Note 16 – Cost Sharing Agreement

On June 5, 2023, the District entered into a cost-sharing agreement with MUD 56 and Brazoria County Municipal Utility District No. 57 ("MUD 57") to provide for the maintenance and operation of recreational facilities at Adventure Cove. Pursuant to the Agreement, MUD 56 will have ownership of the facilities, but all parties will be responsible for a share of repair and maintenance costs based on their pro rata share of the combined active connections of all participating districts. MUD 56 will establish a Joint Recreational Facilities Account, which is to be used exclusively for the payment of certain maintenance and operation expenses related to Adventure Cove. Each of the participating districts will make an initial deposit of $20,000 to provide initial funding to the Joint Recreational Facilities Account. During the current fiscal year, the District paid $119,419 for Adventure Cove insurance expenses.

Note 17 – 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 fiscal year or the three prior fiscal years.

Note 18 – Subsequent Events

Amendment to Interconnect and Interim Water Supply Agreement

On April 11, 2024, the District approved the Second Amended and Restated Interconnect Agreement (the "Agreement") with MUD 56. The agreement was amended to remove the provision for interim water supply. The District and MUD 56 agree to supply water to each other in the event of an emergency at a rate of $1.25 per 1,000 gallons based on the receiving district's average daily usage. The term of the agreement is 40 years.

Issuance of Debt

On June 5, 2024, the District issued its $9,160,000 Series 2024 Bond Anticipation Note at a net effective rate of 4.84%. Proceeds from the BAN will be used to reimburse the District's developer for infrastructure improvements in the District.

(This page intentionally left blank)

Required Supplementary Information

Brazoria County Municipal Utility District No. 55
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended March 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water service	$ 780,000	$ 784,385	$ 4,385
Sewer service	585,000	660,238	75,238
Property taxes	435,000	321,772	(113,228)
Penalties and interest	23,000	24,289	1,289
Groundwater pumpage fees		6,010	6,010
Tap connection and inspection	685,000	509,322	(175,678)
Miscellaneous		39,185	39,185
Investment earnings	10,000	85,225	75,225
Total Revenues	2,518,000	2,430,426	(87,574)
Expenditures			
Current service operations			
Professional fees	178,500	314,641	(136,141)
Contracted services	569,000	544,010	24,990
Repairs and maintenance	479,000	664,907	(185,907)
Lease expense	456,300	123,900	332,400
Utilities	90,000	125,233	(35,233)
Groundwater pumpage fees		3,600	(3,600)
Administrative	40,180	218,465	(178,285)
Other	12,000	28,224	(16,224)
Capital outlay		141,805	(141,805)
Debt service			
Lease - principal		299,864	(299,864)
Lease - interest		32,536	(32,536)
Total Expenditures	1,824,980	2,497,185	(672,205)
Revenues Over/(Under) Expenditures	693,020	(66,759)	(759,779)
Other Financing Sources			
Internal transfers		39,154	39,154
Net Change in Fund Balance	693,020	(27,605)	(720,625)
Fund Balance			
Beginning of the year	1,898,216	1,898,216	
End of the year	$ 2,591,236	$ 1,870,611	$ (720,625)

Budgets and Budgetary Accounting

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

(This page intentionally left blank)

Texas Supplementary Information

Brazoria County Municipal Utility District No. 55
TSI-1. Services and Rates
March 31, 2024

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

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

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

[ ] Other (Specify): ____________________

2. Retail Service Providers

a. Retail Rates for a 1" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels		
Water:	$ 28.80	10,000	N	$ 2.60	10,001	to	20,000
				$ 3.15	20,001	to	25,000
				$ 3.95	25,001	to	no limit
Wastewater:	$ 28.80	10,000	N	$ 1.35	10,001	to	20,000
				$ 1.60	20,001	to	25,000
				$ 1.80	25,001		no limit
Groundwater reduction:	$ 0.03	1,000		$ 0.03	1,001	to	no limit

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

Total charges per 10,000 gallons usage: Water $ 29.10 Wastewater $ 28.80

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"	519	513	x 1.0	513
1"	1,240	1,234	x 2.5	3,085
1.5"	1	1	x 5.0	5
2"	11	11	x 8.0	88
3"	2	2	x 15.0	30
4"			x 25.0	
6"	2	2	x 50.0	100
8"	3	3	x 80.0	240
10"			x 115.0	
Total Water	1,778	1,766		4,061
Total Wastewater	1,759	1,748	x 1.0	1,748

See accompanying auditor's report.

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

Gallons pumped into system:	361,411,000	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	331,576,000	91.74%

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

Does the District have Debt Service standby fees? Yes ☐ No ☒

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

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

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

5. Location of District:

Is the District located entirely within one county? Yes ☒ No ☐

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

Is the District located within a city? Entirely ☒ Partly ☐ Not at all ☐

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

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

Entirely ☐ Partly ☐ Not at all ☒

ETJs in which the District is located: ____________

Are Board members appointed by an office outside the district? Yes ☐ No ☒

If Yes, by whom? ____________

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-2 General Fund Expenditures
For the Year Ended March 31, 2024

Professional fees	
Legal	$ 159,878
Audit	15,000
Engineering	139,762
	314,641
Contracted services	
Bookkeeping	19,700
Operator	76,455
Tap connection and inspection	365,308
Sludge removal	82,547
	544,010
Repairs and maintenance	664,907
Lease	123,900
Utilities	125,233
Groundwater pumpage fees	3,600
Administrative	
Directors fees	13,474
Printing and office supplies	50,597
Insurance	145,494
Other	8,899
	218,465
Other	28,224
Capital outlay	141,805
Debt service	
Lease - principal	299,864
Lease - interest	32,536
	332,400
Total expenditures	$ 2,497,185

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-3. Investments
March 31, 2024

Fund	Interest Rate	Maturity Date	Balance at End of Year	Interest Receivable
General				
TexSTAR	Variable	N/A	$ 1,549,142	$ -
Certificate of deposit	5.49%	09/19/24	230,000	6,711
			1,779,142	6,711
Debt Service				
TexSTAR	Variable	N/A	3,122,303	
TexSTAR Road	Variable	N/A	2,474,832	
			5,597,135	
Capital Projects				
TexSTAR	Variable	N/A	527,886	
TexSTAR Road	Variable	N/A	40,129	
			568,015	
Total - All Funds			$ 7,944,292	$ 6,711

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-4. Taxes Levied and Receivable
March 31, 2024

	Maintenance Taxes	W-S-D Debt Service Taxes	Road Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	$ 6,204	$ 33,593	$ 19,474	$ 59,271
Adjustments to Prior Year Tax Levy	(1,540)	(8,648)	(5,011)	(15,199)
Adjusted Receivable	4,664	24,945	14,463	44,072
2023 Original Tax Levy	300,225	2,510,972	2,019,695	4,830,892
Adjustments	28,619	239,369	192,536	460,524
Adjusted Tax Levy	328,844	2,750,341	2,212,231	5,291,416
Total to be accounted for	333,508	2,775,286	2,226,694	5,335,488
Tax collections:				
Current year	317,568	2,656,022	2,136,365	5,109,955
Prior years	4,451	23,667	13,726	41,844
Total Collections	322,019	2,679,689	2,150,091	5,151,799
Taxes Receivable, End of Year	$ 11,489	$ 95,597	$ 76,603	$ 183,689
Taxes Receivable, By Years				
2023	$ 11,276	$ 94,319	$ 75,866	$ 181,461
2022	180	948	550	1,678
2021	36	327	187	550
Taxes Receivable, End of Year	$ 11,489	$ 95,597	$ 76,603	$ 183,689

	2023	2022	2021	2020
Property Valuations:				
Land	$ 140,138,648	$ 82,772,145	$ 75,816,273	$ 70,065,637
Improvements	575,108,256	433,327,021	299,883,535	210,148,266
Personal Property	6,918,950	4,950,220	4,090,040	3,076,630
Exemptions	(124,265,767)	(55,523,065)	(34,625,822)	(23,797,213)
Total Property Valuations	$ 597,900,087	$ 465,526,321	$ 345,164,026	$ 259,493,320
Tax Rates per $100 Valuation:				
Maintenance tax rates	$ 0.055	$ 0.095	$ 0.065	$ 0.125
W-S-D debt service tax rates	0.460	0.500	0.520	0.400
Road debt service tax rates	0.370	0.290	0.300	0.360
Total Tax Rates per $100 Valuation	$ 0.885	$ 0.885	$ 0.885	$ 0.885
Adjusted Tax Levy:	$ 5,291,416	$ 4,119,908	$ 3,054,702	$ 2,296,516
Percentage of Taxes Collected to Taxes Levied **	96.57%	99.96%	99.98%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: $1.50 on November 6, 2007
* Maximum Road Maintenance Tax Rate Approved by Voters: $0.25 on May 10, 2008

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

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2016 Road--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 80,000	$ 85,606	165,606
2026	85,000	82,819	167,819
2027	90,000	79,757	169,757
2028	90,000	76,494	166,494
2029	95,000	73,025	168,025
2030	100,000	69,243	169,243
2031	100,000	65,244	165,244
2032	105,000	60,947	165,947
2033	110,000	56,244	166,244
2034	115,000	51,322	166,322
2035	120,000	46,181	166,181
2036	125,000	40,822	165,822
2037	130,000	35,244	165,244
2038	135,000	29,362	164,362
2039	135,000	23,287	158,287
2040	145,000	16,988	161,988
2041	150,000	10,350	160,350
2042	155,000	3,488	158,488
	$ 2,065,000	$ 906,423	$ 2,971,423

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2017--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 160,000	$ 152,637	$ 312,637
2026	170,000	148,127	318,127
2027	175,000	143,210	318,210
2028	185,000	137,897	322,897
2029	190,000	132,177	322,177
2030	200,000	126,032	326,032
2031	205,000	119,500	324,500
2032	215,000	112,622	327,622
2033	220,000	105,362	325,362
2034	230,000	97,768	327,768
2035	240,000	89,687	329,687
2036	250,000	81,112	331,112
2037	260,000	72,187	332,187
2038	270,000	62,912	332,912
2039	280,000	52,937	332,937
2040	290,000	42,250	332,250
2041	305,000	30,903	335,903
2042	315,000	18,890	333,890
2043	330,000	6,393	336,393
	$ 4,490,000	$ 1,732,603	$ 6,222,603

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2017 Road--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 100,000	$ 101,094	$ 201,094
2026	105,000	98,019	203,019
2027	110,000	94,794	204,794
2028	115,000	91,347	206,347
2029	120,000	87,600	207,600
2030	125,000	83,540	208,540
2031	130,000	79,156	209,156
2032	135,000	74,518	209,518
2033	140,000	69,618	209,618
2034	145,000	64,453	209,453
2035	150,000	59,012	209,012
2036	155,000	53,294	208,294
2037	160,000	47,388	207,388
2038	170,000	41,094	211,094
2039	175,000	34,300	209,300
2040	180,000	27,200	207,200
2041	190,000	19,800	209,800
2042	195,000	12,100	207,100
2043	205,000	4,100	209,100
	$ 2,805,000	$ 1,142,427	$ 3,947,427

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2018--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 110,000	$ 95,631	$ 205,631
2026	110,000	91,781	201,781
2027	115,000	88,406	203,406
2028	115,000	84,956	199,956
2029	120,000	81,431	201,431
2030	120,000	77,831	197,831
2031	125,000	74,156	199,156
2032	125,000	70,328	195,328
2033	135,000	66,181	201,181
2034	135,000	61,709	196,709
2035	140,000	57,069	197,069
2036	145,000	52,169	197,169
2037	150,000	47,006	197,006
2038	155,000	41,572	196,572
2039	160,000	35,863	195,863
2040	165,000	29,972	194,972
2041	165,000	23,991	188,991
2042	175,000	17,719	192,719
2043	180,000	11,063	191,063
2044	205,000	3,844	208,844
	$ 2,850,000	$ 1,112,678	$ 3,962,678

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2018 Road--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 95,000	$ 117,294	$ 212,294
2026	100,000	111,444	211,444
2027	100,000	105,944	205,944
2028	105,000	101,606	206,606
2029	110,000	97,844	207,844
2030	115,000	93,906	208,906
2031	120,000	89,644	209,644
2032	125,000	85,050	210,050
2033	130,000	80,269	210,269
2034	140,000	75,031	215,031
2035	145,000	69,331	214,331
2036	150,000	63,431	213,431
2037	160,000	57,231	217,231
2038	165,000	50,731	215,731
2039	170,000	44,031	214,031
2040	180,000	36,918	216,918
2041	190,000	29,288	219,288
2042	195,000	21,347	216,347
2043	205,000	13,097	218,097
2044	215,000	4,434	219,434
	$ 2,915,000	$ 1,347,871	$ 4,262,871

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2019--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 145,000	$ 125,406	$ 270,406
2026	155,000	120,956	275,956
2027	160,000	117,806	277,806
2028	165,000	114,453	279,453
2029	170,000	110,788	280,788
2030	175,000	106,907	281,907
2031	180,000	102,913	282,913
2032	185,000	98,691	283,691
2033	195,000	94,178	289,178
2034	200,000	89,362	289,362
2035	210,000	84,237	294,237
2036	215,000	78,790	293,790
2037	225,000	73,015	298,015
2038	230,000	66,900	296,900
2039	240,000	60,439	300,439
2040	245,000	53,769	298,769
2041	255,000	46,575	301,575
2042	265,000	38,775	303,775
2043	275,000	30,675	305,675
2044	285,000	22,275	307,275
2045	295,000	13,575	308,575
2046	305,000	4,575	309,575
	$ 4,775,000	$ 1,655,060	$ 6,430,060

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2019 Road--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 125,000	$ 104,718	$ 229,718
2026	125,000	100,968	225,968
2027	130,000	98,418	228,418
2028	135,000	95,684	230,684
2029	140,000	92,675	232,675
2030	145,000	89,469	234,469
2031	150,000	86,057	236,057
2032	155,000	82,435	237,435
2033	160,000	78,594	238,594
2034	165,000	74,531	239,531
2035	175,000	70,172	245,172
2036	180,000	65,513	245,513
2037	185,000	60,606	245,606
2038	190,000	55,450	245,450
2039	200,000	50,090	250,090
2040	205,000	44,519	249,519
2041	210,000	38,550	248,550
2042	220,000	32,100	252,100
2043	230,000	25,350	255,350
2044	235,000	18,375	253,375
2045	245,000	11,175	256,175
2046	250,000	3,750	253,750
	$ 3,955,000	$ 1,379,199	$ 5,334,199

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2020--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 195,000	$ 162,050	$ 357,050
2026	195,000	153,275	348,275
2027	195,000	144,500	339,500
2028	200,000	138,112	338,112
2029	205,000	134,062	339,062
2030	210,000	129,912	339,912
2031	215,000	125,662	340,662
2032	220,000	121,312	341,312
2033	220,000	116,912	336,912
2034	225,000	112,463	337,463
2035	225,000	107,822	332,822
2036	235,000	102,934	337,934
2037	235,000	97,794	332,794
2038	240,000	92,450	332,450
2039	245,000	86,841	331,841
2040	255,000	80,903	335,903
2041	265,000	74,563	339,563
2042	270,000	67,875	337,875
2043	275,000	61,063	336,063
2044	605,000	50,063	655,063
2045	835,000	32,063	867,063
2046	865,000	10,813	875,813
	$ 6,630,000	$ 2,203,444	$ 8,833,444

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2020 Road--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 95,000	$ 66,256	$ 161,256
2026	95,000	61,981	156,981
2027	100,000	57,594	157,594
2028	100,000	54,344	154,344
2029	105,000	52,294	157,294
2030	105,000	50,194	155,194
2031	110,000	48,044	158,044
2032	115,000	45,794	160,794
2033	115,000	43,494	158,494
2034	120,000	41,144	161,144
2035	125,000	38,694	163,694
2036	130,000	36,144	166,144
2037	130,000	33,462	163,462
2038	135,000	30,647	165,647
2039	140,000	27,637	167,637
2040	145,000	24,431	169,431
2041	150,000	21,019	171,019
2042	155,000	17,397	172,397
2043	160,000	13,656	173,656
2044	160,000	9,856	169,856
2045	165,000	5,997	170,997
2046	170,000	2,018	172,018
	$ 2,825,000	$ 782,097	$ 3,607,097

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2021--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 315,000	$ 255,194	$ 570,194
2026	320,000	242,494	562,494
2027	330,000	229,494	559,494
2028	340,000	216,094	556,094
2029	345,000	205,628	550,628
2030	355,000	196,637	551,637
2031	365,000	185,837	550,837
2032	375,000	174,737	549,737
2033	380,000	163,412	543,412
2034	390,000	151,862	541,862
2035	400,000	140,012	540,012
2036	410,000	129,144	539,144
2037	420,000	119,288	539,288
2038	435,000	107,775	542,775
2039	445,000	94,575	539,575
2040	455,000	81,075	536,075
2041	465,000	67,275	532,275
2042	480,000	53,100	533,100
2043	490,000	38,550	528,550
2044	500,000	27,450	527,450
2045	515,000	19,838	534,838
2046	525,000	12,038	537,038
2047	540,000	4,050	544,050
	$ 9,595,000	$ 2,915,559	$ 12,510,559

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2021 Road--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 170,000	$ 146,775	$ 316,775
2026	175,000	139,875	314,875
2027	175,000	132,875	307,875
2028	180,000	125,775	305,775
2029	185,000	118,475	303,475
2030	190,000	110,975	300,975
2031	195,000	103,275	298,275
2032	200,000	96,375	296,375
2033	205,000	90,300	295,300
2034	210,000	84,075	294,075
2035	215,000	77,700	292,700
2036	220,000	71,175	291,175
2037	225,000	64,500	289,500
2038	230,000	57,675	287,675
2039	240,000	50,625	290,625
2040	245,000	43,350	288,350
2041	250,000	35,925	285,925
2042	255,000	28,350	283,350
2043	260,000	20,625	280,625
2044	270,000	14,700	284,700
2045	275,000	10,613	285,613
2046	280,000	6,450	286,450
2047	290,000	2,175	292,175
	$ 5,140,000	$ 1,632,638	$ 6,772,638

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2022--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 160,000	$ 388,763	$ 548,763
2026	180,000	380,263	560,263
2027	195,000	370,888	565,888
2028	210,000	360,763	570,763
2029	225,000	349,888	574,888
2030	235,000	338,388	573,388
2031	245,000	326,388	571,388
2032	260,000	314,412	574,412
2033	270,000	302,487	572,487
2034	290,000	289,887	579,887
2035	300,000	276,612	576,612
2036	315,000	262,775	577,775
2037	330,000	247,850	577,850
2038	340,000	231,937	571,937
2039	360,000	215,312	575,312
2040	380,000	197,737	577,737
2041	400,000	179,212	579,212
2042	415,000	159,856	574,856
2043	440,000	139,000	579,000
2044	470,000	116,250	586,250
2045	480,000	92,500	572,500
2046	495,000	68,125	563,125
2047	545,000	42,125	587,125
2048	570,000	14,250	584,250
	$ 8,110,000	$ 5,665,668	$ 13,775,668

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2023 Road--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 145,000	$ 320,563	$ 465,563
2026	150,000	310,975	460,975
2027	160,000	300,900	460,900
2028	165,000	290,337	455,337
2029	175,000	279,287	454,287
2030	185,000	267,587	452,587
2031	195,000	255,725	450,725
2032	205,000	244,238	449,238
2033	220,000	233,100	453,100
2034	230,000	223,000	453,000
2035	245,000	213,500	458,500
2036	255,000	203,500	458,500
2037	270,000	193,000	463,000
2038	285,000	181,900	466,900
2039	300,000	170,200	470,200
2040	320,000	157,800	477,800
2041	335,000	144,700	479,700
2042	355,000	130,900	485,900
2043	375,000	116,300	491,300
2044	395,000	100,900	495,900
2045	415,000	84,700	499,700
2046	440,000	67,600	507,600
2047	465,000	49,500	514,500
2048	490,000	30,400	520,400
2049	515,000	10,300	525,300
	$ 7,290,000	$ 4,580,912	$ 11,870,912

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2023--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ -	$ 576,370	$ 576,370
2026	215,000	467,825	682,825
2027	225,000	453,525	678,525
2028	235,000	438,575	673,575
2029	250,000	422,812	672,812
2030	260,000	406,237	666,237
2031	275,000	389,537	664,537
2032	290,000	375,487	665,487
2033	305,000	363,397	668,397
2034	320,000	350,506	670,506
2035	335,000	336,788	671,788
2036	355,000	322,125	677,125
2037	375,000	306,378	681,378
2038	395,000	289,287	684,287
2039	415,000	271,062	686,062
2040	435,000	251,938	686,938
2041	460,000	231,513	691,513
2042	480,000	209,475	689,475
2043	510,000	185,963	695,963
2044	535,000	161,144	696,144
2045	565,000	135,019	700,019
2046	590,000	107,588	697,588
2047	625,000	78,731	703,731
2048	655,000	48,331	703,331
2049	690,000	16,388	706,388
	$ 9,795,000	$ 7,196,001	$ 16,991,001

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
Series 2023A Road--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ -	$ 537,032	$ 537,032
2026	200,000	435,906	635,906
2027	215,000	422,419	637,419
2028	225,000	408,119	633,119
2029	235,000	393,756	628,756
2030	250,000	379,206	629,206
2031	260,000	366,506	626,506
2032	275,000	355,806	630,806
2033	290,000	344,506	634,506
2034	305,000	332,416	637,416
2035	320,000	319,525	639,525
2036	335,000	305,806	640,806
2037	355,000	290,922	645,922
2038	375,000	274,719	649,719
2039	395,000	257,394	652,394
2040	415,000	239,169	654,169
2041	435,000	219,772	654,772
2042	460,000	198,788	658,788
2043	480,000	176,463	656,463
2044	510,000	152,950	662,950
2045	535,000	128,131	663,131
2046	560,000	102,125	662,125
2047	590,000	74,812	664,812
2048	625,000	45,956	670,956
2049	655,000	15,556	670,556
	$ 9,300,000	$ 6,777,760	$ 16,077,760

See accompanying auditor's report.

Brazoria County Municipal Utility District No. 55
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
March 31, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2025	$ 1,895,000	$ 3,235,389	$ 5,130,389
2026	2,380,000	2,946,708	5,326,708
2027	2,475,000	2,840,530	5,315,530
2028	2,565,000	2,734,556	5,299,556
2029	2,670,000	2,631,742	5,301,742
2030	2,770,000	2,526,064	5,296,064
2031	2,870,000	2,417,644	5,287,644
2032	2,985,000	2,312,752	5,297,752
2033	3,095,000	2,208,054	5,303,054
2034	3,220,000	2,099,529	5,319,529
2035	3,345,000	1,986,342	5,331,342
2036	3,475,000	1,868,734	5,343,734
2037	3,610,000	1,745,871	5,355,871
2038	3,750,000	1,614,411	5,364,411
2039	3,900,000	1,474,593	5,374,593
2040	4,060,000	1,328,019	5,388,019
2041	4,225,000	1,173,436	5,398,436
2042	4,390,000	1,010,160	5,400,160
2043	4,415,000	842,298	5,257,298
2044	4,385,000	682,241	5,067,241
2045	4,325,000	533,611	4,858,611
2046	4,480,000	385,082	4,865,082
2047	3,055,000	251,393	3,306,393
2048	2,340,000	138,937	2,478,937
2049	1,860,000	42,244	1,902,244
	$ 82,540,000	$ 41,030,340	$ 123,570,340

See accompanying auditor's report.

(This page intentionally left blank)

TSI-6. Change in Long-Term Bonded Debt
March 31, 2024

	Bond Issue			
	Series 2016 Road	Series 2017	Series 2017 Road	Series 2018
Interest rate	3.25% - 4.50%	2.000% - 3.875%	2.00% - 4.00%	3.00% - 5.50%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/18 - 9/1/41	9/1/19 - 9/1/42	9/1/19 - 9/1/42	9/1/19 - 9/1/43
Beginning bonds outstanding	$ 2,145,000	$ 4,645,000	$ 2,900,000	$ 2,955,000
Bonds issued				
Bonds retired	(80,000)	(155,000)	(95,000)	(105,000)
Ending bonds outstanding	$ 2,065,000	$ 4,490,000	$ 2,805,000	$ 2,850,000
Interest paid during fiscal year	$ 88,206	$ 156,646	$ 104,019	$ 100,719

Paying agent's name and city

Series 2016 Road, Series 2017, Series 2017 Road, Series 2018	Amegy Bank, a division of ZB, N.A., Houston, Texas
Series 2022 and 2023 Road	Regions Bank, Houston, Texas
Series 2023 and 2023A Road	BOKF, N.A., Dallas, Texas
All other Series	Zions Bancorporation, N.A., Houston, Texas

Bond Authority:	Water, Sewer and Drainage Bonds	Park Bonds	Road Bonds
Amount Authorized by Voters	$ 110,360,000	$ 41,170,000	$ 38,200,000
Amount Issued	(48,555,000)		(38,200,000)
Remaining To Be Issued	$ 61,805,000	$ 41,170,000	$ -

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 March 31, 2024:	$ 5,856,644
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 4,942,814

Bond Issue				
Series 2018 Road	Series 2019	Series 2019 Road	Series 2020	Series 2020 Road
3.50% - 6.00%	2.00% - 4.00%	2.00% - 4.00%	2.00% - 4.50%	2.00% - 4.50%
9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
9/1/20 - 9/1/43	9/1/21 - 9/1/45	9/1/21 - 9/1/45	9/1/22 - 9/1/45	9/1/22 - 9/1/45
$ 3,005,000	$ 4,920,000	$ 4,075,000	$ 6,810,000	$ 2,915,000
(90,000)	(145,000)	(120,000)	(180,000)	(90,000)
$ 2,915,000	$ 4,775,000	$ 3,955,000	$ 6,630,000	$ 2,825,000
$ 122,844	$ 131,206	$ 109,619	$ 170,488	$ 70,419

	Bond Issue			
	Series 2021	Series 2021 Road	Series 2022	Series 2023 Road
Interest rate	1.50% - 4.00%	1.50% - 4.00%	4.50% - 5.00%	4.00% - 6.50%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/23 - 9/1/46	9/1/23 - 9/1/46	9/1/24 - 9/1/47	9/1/24 - 9/1/48
Beginning bonds outstanding	$ 9,900,000	$ 5,305,000	$ 8,110,000	$ 7,290,000
Bonds issued				
Bonds retired	(305,000)	(165,000)		
Ending bonds outstanding	$ 9,595,000	$ 5,140,000	$ 8,110,000	$ 7,290,000
Interest paid during fiscal year	$ 267,594	$ 153,475	$ 392,763	$ 369,549

See accompanying auditor's report.

Bond Issue		
Series 2023	Series 2023A Road	Totals
4.00% - 6.50%	4.00% - 6.50%	
9/1; 3/1	9/1; 3/1	
9/1/25 - 9/1/48	9/1/25 - 9/1/48	
$ -	$ -	$ 64,975,000
9,795,000	9,300,000	19,095,000
		(1,530,000)
$ 9,795,000	$ 9,300,000	$ 82,540,000
$ -	$ -	$ 2,237,547

Brazoria County Municipal Utility District No. 55
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2024	2023	2022	2021	2020
Revenues					
Water service	$ 784,385	$ 685,128	$ 552,206	$ 507,713	$ 348,012
Sewer service	660,238	579,422	493,469	404,703	294,463
Property taxes	321,772	441,916	228,922	321,355	165,014
Penalties and interest	24,289	19,400	15,892	12,228	10,700
Groundwater pumpage fees	6,010	5,410	3,956	3,875	2,494
Tap connection and inspection	509,322	458,875	454,782	451,005	403,265
Miscellaneous	39,185	40,502	34,807	28,388	28,513
Investment earnings	85,225	30,099	1,369	4,979	14,416
Total Revenues	2,430,426	2,260,752	1,785,403	1,734,246	1,266,877
Expenditures					
Current service operations					
Professional fees	314,641	219,782	220,694	199,268	252,786
Contracted services	544,010	446,809	374,621	391,854	347,449
Repairs and maintenance	664,907	474,928	369,660	328,962	255,487
Lease expense	123,900	131,850	343,574	240,732	230,094
Utilities	125,233	95,746	77,844	67,509	56,478
Groundwater pumpage fees	3,600	3,150			2,135
Administrative	218,465	75,941	78,244	67,722	60,496
Other	28,224	21,631	9,281	15,845	7,773
Capital outlay	141,805				1,280,130
Debt service					
Developer interest					117,968
Lease - principal	299,864	286,979			
Lease - interest	32,536	45,421			
Total Expenditures	2,497,185	1,802,237	1,473,918	1,311,892	2,610,796
Revenues Over/(Under) Expenditures	$ (66,759)	$ 458,515	$ 311,485	$ 422,354	$ (1,343,919)
Total Active Retail Water Connections	1,766	1,525	1,416	1,178	885
Total Active Retail Wastewater Connections	1,748	1,509	1,402	1,169	870

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
32%	30%	31%	29%	28%
27%	26%	28%	23%	23%
13%	20%	13%	19%	13%
1%	1%	1%	1%	1%
*	*	*	*	*
21%	20%	25%	26%	32%
2%	2%	2%	2%	2%
4%	1%	*	*	1%
100%	100%	100%	100%	100%
13%	10%	12%	11%	20%
22%	20%	21%	23%	27%
27%	21%	21%	19%	20%
5%	6%	19%	14%	18%
5%	4%	4%	4%	4%
*	*			*
9%	3%	4%	4%	5%
1%	1%	1%	1%	1%
6%				101%
				9%
12%	13%			
1%	2%			
101%	80%	82%	76%	205%
(1%)	20%	18%	24%	(105%)

Brazoria County Municipal Utility District No. 55
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2024	2023	2022	2021	2020
Revenues					
Property taxes	$ 4,832,484	$ 3,695,424	$ 2,829,372	$ 1,957,131	$ 1,345,737
Penalties and interest	19,990	19,866	15,102	17,287	11,662
Miscellaneous	14,036	340	270	450	490
Investment earnings	174,883	64,678	610	2,148	2,439
Total Revenues	5,041,393	3,780,308	2,845,354	1,977,016	1,360,328
Expenditures					
Tax collection services	65,308	74,106	50,456	39,399	26,022
Other	7,500	10,000	2,500		
Debt service					
Principal	1,530,000	1,020,000	735,000	475,000	390,000
Interest and fees	2,243,758	1,620,926	1,224,041	1,014,681	718,926
Total Expenditures	3,846,566	2,725,032	2,011,997	1,529,080	1,134,948
Revenues Over Expenditures	$ 1,194,827	$ 1,055,276	$ 833,357	$ 447,936	$ 225,380

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
97%	97%	99%	99%	99%
*	1%	1%	1%	1%
*	*	*	*	*
3%	2%	*	*	*
100%	100%	100%	100%	100%
1%	2%	2%	2%	2%
*	*	*		
30%	27%	26%	24%	29%
45%	43%	43%	51%	53%
76%	72%	71%	77%	84%
24%	28%	29%	23%	16%

Brazoria County Municipal Utility District No. 55
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended March 31, 2024

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600, Houston, Texas 77027
District Business Telephone Number:	(713) 860-6400
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	August 10, 2023
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.060)	$ 7,200

Names:	Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Houston Hamilton	05/20 - 05/24	$ 2,368	$ 410	President
Virginia Woodring	05/22 - 05/26	3,252	1,445	Vice President
Cathy Verret	05/22 - 05/26	3,252	1,375	Secretary
Darrin Hall	12/22 - 05/24	1,926	368	Assistant Secretary
Emily Ortega	08/23 - 05/26	2,431	1,133	Assistant Vice President
Reid Wendell	03/23 - 08/23	600	131	Former Director
		Amounts Paid		
Consultants				
Allen Boone Humphries Robinson LLP	2007			Attorney
General legal fees		$ 192,019		
Bond counsel		480,703		
Si Environmental, LLC	2015	827,747		Operator
Myrtle Cruz, Inc.	2007	37,516		Bookkeeper
Assessments of the Southwest, Inc.	2007	25,626		Tax Collector
Brazoria County Appraisal District	Legislation	29,094		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP	2008	4,443		Delinquent Tax Attorney
EHRA Engineering	2007	294,378		Engineer
McGrath & Co., PLLC	2016	39,475		Auditor
Robert W. Baird & Co. Incorporated	2015	384,645		Financial Advisor

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

See accompanying auditor's report.

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, 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 Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AG. 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 AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

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 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 AG 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AG 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 AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By ______________________________
Authorized Officer