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

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

NEW ISSUE—BOOK-ENTRY-ONLY
CUSIP No. 10606M

$6,950,000
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT No. 53
(A political subdivision of the State of Texas, located in Brazoria County, Texas)
UNLIMITED TAX BONDS
SERIES 2025

Dated: June 1, 2025 **Due: April 1 (as shown below)**

Interest on the $6,950,000 Unlimited Tax Bonds, Series 2025 (the "Bonds" or the "Series 2025 Bonds") will accrue from June 1, 2025, and will be payable on October 1 and April 1 of each year, commencing October 1, 2025. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Houston, Texas. See "THE BONDS – Paying Agent/Registrar."

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES

Principal Amount	Maturity	Interest Rate	Yield (a)	Principal Amount	Maturity	Interest Rate	Yield (a)
$175,000	2028	%	%	$300,000	2040(b)	%	%
$175,000	2029	%	%	$325,000	2041(b)	%	%
$200,000	2030	%	%	$325,000	2042(b)	%	%
$200,000	2031(b)	%	%	$350,000	2043(b)	%	%
$200,000	2032(b)	%	%	$375,000	2044(b)	%	%
$225,000	2033(b)	%	%	$375,000	2045(b)	%	%
$225,000	2034(b)	%	%	$400,000	2046(b)	%	%
$250,000	2035(b)	%	%	$400,000	2047(b)	%	%
$250,000	2036(b)	%	%	$425,000	2048(b)	%	%
$275,000	2037(b)	%	%	$450,000	2049(b)	%	%
$275,000	2038(b)	%	%	$475,000	2050(b)	%	%
$300,000	2039(b)	%	%				

(a) The initial reoffering yields are established by and are the sole responsibility of the Underwriter (hereinafter defined) and may be subsequently changed.
(b) The Bonds maturing on or after April 1, 2031, are subject to redemption in whole or from time to time in part, at the option of the District (hereinafter defined), on April 1, 2030, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all of the Bonds within a maturity are redeemed, the Bonds to be redeemed shall be selected, on behalf of the District, by the Paying Agent/Registrar, in its capacity as Registrar, by lot or such other customary method, in integral multiples of $5,000 in any one maturity See "THE BONDS – Optional Redemption."

The proceeds of the Bonds will be used by Brazoria County Municipal Utility District No. 53 (the "District") to fund: (1) to finance the costs of certain water, sewer, drainage, and detention improvements and engineering costs; (2) pay the $3,840,000 Bond Anticipation Note, Series 2024 (the "Series 2024 Note") interest and cost of issuance expenses; (3) water and wastewater capacity; (4) certain related Developer (hereinafter defined) interest costs; (5) $347,500 or (twelve) 12 months of capitalized interest on the Bonds; and (6) certain administrative costs and costs of issuance of the Bonds. See "USE OF BOND PROCEEDS."

The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS – Source of and Security for Payment." The Bonds are obligations solely of the District and are not obligations of the State of Texas, Brazoria County, the City of Iowa Colony, or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas, Brazoria County, or the City of Iowa Colony is pledged to the payment of the principal of, or interest on, the Bonds. **The Bonds are subject to certain RISK FACTORS described under the caption "RISK FACTORS."**

The Bonds are offered when, as, and if issued by the District, subject to approval by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. The District will be advised on certain legal matters concerning disclosure by Norton Rose Fulbright US LLP, Houston, Texas, Disclosure Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about June 18, 2025.

Bids Due: Wednesday, May 21, 2025 at 10:30 A.M. Houston Time

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USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12" or the "Rule"), this Preliminary Official Statement constitutes an "official statement" of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of information permitted by Rule 15c2-12.

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

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

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

All of the summaries of the statutes, resolutions, contracts, audited financial statements, engineering, and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027, upon payment of duplication costs.

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

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

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

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

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

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Underwriter on or before the date of delivery of the Bonds stating the prices at which a substantial number of the Bonds of each maturity have been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker, or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds after their initial sale by the District. Information concerning reoffering yields or prices is the responsibility of the Underwriter. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price of the bonds may be greater than the difference between the bids and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities as bonds of such entities are more generally bought, sold or traded in the secondary market.

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE BONDS ARE RELEASED FOR SALE, AND THE BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE

BONDS INTO INVESTMENT ACCOUNTS. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

Securities Laws

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

CONTINUING DISCLOSURE OF INFORMATION - SEC RULE 15c2-12

In the resolution authorizing the issuance of the Bonds (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 the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB via EMMA. The information to be updated with respect to the District includes the quantitative financial information and operating data of the District of the general type included in "DISTRICT DEBT," (except for – "ESTIMATED OVERLAPPING DEBT,") "DISTRICT TAX DATA," and "APPENDIX A" (Independent Auditor's Report and Financial Statements of the District) of this Official Statement. 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 EMMA.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements if the District commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, the District will provide unaudited financial statements for the applicable fiscal year to the MSRB within such six-month period and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Resolution or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's current fiscal year end is the last day of February. Accordingly, it must provide updated information by August 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB via EMMA of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" shall have the meanings ascribed to them under the Rule. The terms "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 provisions for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Availability of Information

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

Limitations and Amendments

The District has agreed to update information and to provide notices of 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, if 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 Underwriter 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

The District entered into its first continuing disclosure agreement in 2021. Since, the District has complied in all material respects with its past continuing disclosure agreements made in accordance with the Rule.

NO MUNICIPAL BOND RATING

No application has been made to a rating company for an underlying rating on the Bonds. It is not anticipated the District would have received an underlying rating had such rating been applied for.

BOND INSURANCE

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

OFFICIAL STATEMENT SUMMARY

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

THE BONDS

Description: The $6,950,000 Unlimited Tax Bonds, Series 2025, (the "Bonds") are dated June 1, 2025. The Bonds are being issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including but not limited to Chapters 49 and 54,Texas Water Code, as amended, a resolution authorizing the issuance of the Bonds (the "Bond Resolution") to be adopted by Brazoria County Municipal Utility District No. 53 (the "District"), an order of the Texas Commission on Environmental Quality (the "TCEQ"), and a bond election held within the District. The Bonds mature on April 1 in the years shown in the table on the cover page of this Official Statement. The Bonds represent the fifth series of bonds to be issued by the District. See "THE BONDS."

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

Redemption Provisions: The Bonds maturing on or after April 1, 2031, are subject to early redemption, in whole or from time to time in part, on April 1, 2030, or on any date thereafter at the option of the District at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Optional Redemption."

Book-Entry-Only System: The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC, pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, and interest on, the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."

Use of Proceeds: Proceeds from the sale of the Bonds will be used to fund: (1) to finance the costs of certain water, sewer, drainage, and detention improvements and engineering costs; (2) pay the $3,840,000 Bond Anticipation Note, Series 2024 (the "Series 2024 Note") interest and cost of issuance expenses; (3) water and wastewater capacity; (4) certain related Developer (hereinafter defined) interest costs; (5) $347,500 or (twelve) 12 months of capitalized interest on the Bonds; and (6) certain administrative costs and costs of issuance of the Bonds. See "USE OF BOND PROCEEDS."

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

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

Payment Record: The District has never defaulted in the payment of principal or interest on any bonds or outstanding obligations.

Outstanding Bonds: The District has previously issued four series of bonds as follows: $17,000,000 Unlimited Tax Bonds, Series 2024 (the "Series 2024 Bonds"), $17,340,000 Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds"), $5,180,000 Unlimited Tax Road Bonds, Series 2022 (the "Series 2022 Bonds"), and the $5,440,000 Unlimited Tax Bonds, Series 2021 (the "Series 2021 Bonds"), all of which will remain outstanding as of closing and delivery of the Bonds.

Risk Factors: The Bonds are subject to certain investment considerations as set forth in this Official Statement. Prospective purchasers should carefully examine this Official Statement with respect to the investment security of the Bonds, particularly the sections captioned "RISK FACTORS" and "LEGAL MATTERS."

Qualified Tax Exempt Obligations: The Bonds will be designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

No Municipal Bond Rating: No application has been made to a rating company for an underlying rating on the Bonds. It is not anticipated the District would have received an underlying rating had such rating been applied for. See "NO MUNICIPAL BOND RATING."

Bond Insurance: The District has applied to AG and BAM for qualification of the Bonds for bond insurance. The Underwriter may bid for the Bonds with or without bond insurance. If the Underwriter bids for the Bonds with bond insurance, the cost of the bond insurance premium must be paid for by the Underwriter. Information relative to the cost of the insurance premium will be available from the bond insurance companies on the day of the sale. See “BOND INSURANCE.”

THE DISTRICT

Description: The District is a municipal utility district created by order dated January 30, 2019. The District was created pursuant to the authority of Article XVI, Section 59 and Article III, Section 52, of the Texas Constitution and operates pursuant to Chapter 49 and 54 Texas Water Code, as amended. The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54, Texas Water Code, as amended. The District is subject to the continuing supervision of the TCEQ. The District is empowered to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. Additionally, the District was created with certain road and park powers. See "THE DISTRICT."

The District contains approximately 502 acres of land. The District is located entirely within Brazoria County, Texas, and entirely within the extraterritorial jurisdiction of the City of Iowa Colony, Texas. The District is located entirely within the Alvin Independent School District. The District is located approximately 20 miles south of the Central Business District of the City of Houston. The District is generally bounded on the north by County Road No. 56 and to the east by County Road No.48, and on the south by County Road No. 64. According to the District’s Engineer, none of the developed land within the District would be subject to flooding during a hypothetical 100-year flood event. See "THE DISTRICT."

Status of Land Development: A summary of the approximate land use in the District appears in the following table as of March 1, 2025:

Type of Land Use	Approximate Acres	
Developed Acres	347	(a)
Under Development	0	
Remaining Developable Acreage	30	(b)
Undevelopable Acreage	125	(c)
Total Approximate Acres	**502**	

(a) Represents the developable acres located in Sierra Vista West Subdivision, Sections 1-10. Such acreage also includes a 15.47-acre school site.

(b) Represents developable acres for single family development in the future.

(c) Includes street rights-of-way, detention ponds, drainage easements, parks and recreation, open spaces, District plant sites, pipeline easements and drilling sites. Includes approximately 17 acres in Sierra West, Sections 1, 2 and 5 that are utilized as drainage reserves.

Homebuilding Development: As of March 1, 2025, the residential development in the District included 1,271 completed homes, 23 homes under construction, and 73 vacant developed lots. Homes in the District are currently being constructed by Meritage Homes, Liberty Homes, Anglia Homes, Ashton Woods Homes and Devon Street and are being marketed in the $240,000 - $340,000 price range.

The Developers: The Developer of substantially all of the land in the District is Land Tejas Sterling Lakes South, LLC (the “Original Developer”), a special purpose entity created by Land Tejas Companies, Ltd. solely for the purpose of developing land located within the District. The General Partner and sole member of the Developer is Mr. Al P. Brende who is also the President of Land Tejas Companies, Ltd.

In December 2021, the Original Developer sold a portion of its interests to Astro Sierra Vista LP, a Delaware limited partnership created by Mr. Al P. Brende/the Land Tejas Companies. and Starwood Land Astro Venture LP. Starwood Land Venture LP is a special purpose entity established solely for the purpose of developing land and marketing developed land within the District. Starwood Land Astro Venture LP has entered into a management agreement with the Land Tejas companies for the purpose of managing the day to day development activities within the District. The Original Developer has assigned its developer financing agreement with the District to Astro Sierra Vista LP.

CWT Sierra LP is the developer of Sierra Vista West, Section 10. Land development in this Section was completed in January 2023. The construction of 110 “build to rent” homes began during the third quarter of 2023 and was completed by January 2025. According to CWT Sierra LP, the average size of the houses in this section is approximately 1,771 square feet. The Original Developer, Astro Sierra Vista LP and CWT Sierra LP are collectively referred to herein as the “Developers”.

The System: The System currently obtains all of its water from the City of Iowa Colony (the "City"). The District will be responsible for the acquisition and construction of any additional water supply and wastewater treatment facilities necessary to serve the ultimate buildout the District in full, which facilities will be conveyed to the City for ownership and operation. The District currently has adequate water supply capacity and wastewater treatment plant capacity to serve the residential buildout of the District. However, the District may have to add additional water supply and wastewater treatment capacity to serve the commercial buildout of the District depending upon the density of future commercial development in the District. See "THE SYSTEM."

100-Year Flood Plain: None of the District is located within the 100-year floodplain as determined by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Map Numbers 48039C0115K dated December 30, 2020, Brazoria County, Texas, and Incorporated Areas. See "THE SYSTEM."

SELECTED FINANCIAL INFORMATION
(Unaudited)

3/1/2025 Estimated Taxable Value	$417,687,050	(a)
2024 Certified Taxable Value	$343,989,121	(b)
Direct Debt		
Outstanding Bonds (as of April 1, 2025)	$44,700,000	
The Bonds	$6,950,000	
Total Direct Debt	$51,650,000	
Estimated Overlapping Debt	$23,700,353	
Direct and Estimated Overlapping Debt	$75,350,353	
Percentage of Direct Debt to:		
3/1/2025 Estimated Taxable Value	12.37%	
2024 Certified Taxable Value	15.02%	
See “DISTRICT DEBT”		
Percentage of Direct and Estimated Overlapping Debt to:		
3/1/2025 Estimated Taxable Value	18.04%	
2024 Certified Taxable Value	21.90%	
See “DISTRICT DEBT”		
2024 Tax Rate Per $100 of Assessed Value		
Debt Service Tax	$0.45	
Road Debt Service Tax	$0.10	
Maintenance Tax	$0.80	
Total 2024 Tax Rate	$1.35	
Cash and Temporary Investment Balances as of May 9, 2025		
General Fund as of May 9, 2025	$3,423,311	
Debt Service Fund (Pro-Forma)	$2,061,104	(c)
Road Debt Service Fund	$446,539	(d)

(a) Reflects data supplied by Brazoria County Appraisal District (“BCAD”). The Estimated Taxable Value as of 3/1/2025 was prepared by BCAD and provided to the District. Such values are not binding on BCAD and are provided for informational purposes only. The District is authorized by law to levy taxes only against certified values. See "DISTRICT TAX DATA."

(b) Reflects the January 1, 2024 Taxable Value according to data supplied by BCAD. The District is authorized by law to levy taxes only against certified values. See "DISTRICT TAX DATA."

(c) The cash and investment balance in the Debt Service Fund includes $347,500 or (twelve) 12 months of capitalized interest to be funded with the proceeds of the District’s Series 2025 Bonds and deposited into such fund on the date of delivery of the Bonds and a negative adjustment for the water, sewer, drainage debt service payments to be made on April 1, 2025. See "DISTRICT TAX DATA - Tax Adequacy of Tax Revenue."

(d) The cash and investment balance in the Road Debt Service Fund includes a negative adjustment for the road debt service payments to be made on April 1, 2025.

DEBT SERVICE REQUIREMENTS

The following sets forth the debt service on the District's Outstanding Bonds and the debt service requirements for the Series 2025 Bonds.

Year	Existing Debt Service Requirements	Debt Service on the 2025 Bonds Principal	Interest*	Total Debt Service Requirements*
2025	$2,137,537	-	$106,567	$2,244,104
2026	$2,573,049	-	$319,700	$2,892,749
2027	$2,997,568	-	$319,700	$3,317,268
2028	$2,967,462	$175,000	$315,675	$3,458,137
2029	$2,942,968	$175,000	$307,625	$3,425,593
2030	$2,928,243	$200,000	$299,000	$3,427,243
2031	$2,915,643	$200,000	$289,800	$3,405,443
2032	$2,941,343	$200,000	$280,600	$3,421,943
2033	$2,937,193	$225,000	$270,825	$3,433,018
2034	$2,935,743	$225,000	$260,475	$3,421,218
2035	$2,931,893	$250,000	$249,550	$3,431,443
2036	$2,955,168	$250,000	$238,050	$3,443,218
2037	$2,955,368	$275,000	$225,975	$3,456,343
2038	$2,952,768	$275,000	$213,325	$3,441,093
2039	$2,976,893	$300,000	$200,100	$3,476,993
2040	$2,972,131	$300,000	$186,300	$3,458,431
2041	$2,997,718	$325,000	$171,925	$3,494,643
2042	$2,993,749	$325,000	$156,975	$3,475,724
2043	$2,991,006	$350,000	$141,450	$3,482,456
2044	$2,984,546	$375,000	$124,775	$3,484,321
2045	$3,003,261	$375,000	$107,525	$3,485,786
2046	$2,996,918	$400,000	$89,700	$3,486,618
2047	$2,992,145	$400,000	$71,300	$3,463,445
2048	$2,636,171	$425,000	$52,325	$3,113,496
2049	$1,474,125	$450,000	$32,200	$1,956,325
2050	$303,750	$475,000	$10,925	$789,675
TOTALS	**$71,394,359**	**$6,950,000**	**$5,042,367**	**$83,386,726**

Maximum Annual Debt Service Requirements (2041)..$3,494,643*

$0.89 tax rate on the 3/1/2025 Estimated Taxable Value of $417,687,050
@ 95% collections produces...... ……………………………………………………………………...$3,531,544*

$1.07 tax rate on the 2024 Certified Taxable Valuation of $343,989,121
@ 95% collections produces....... ……………………………………………………………………. $3,496,649*

See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue."

*Preliminary, subject to change.

OFFICIAL STATEMENT
relating to

$6,950,000

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 53
(A political subdivision of the State of Texas located within Brazoria County, Texas)

UNLIMITED TAX BONDS
SERIES 2025

INTRODUCTION

This Official Statement provides certain information in connection with the issuance of the $6,950,000 Brazoria County Municipal Utility District No. 53 Unlimited Tax Bonds, Series 2025 (the "Bonds" or the “Series 2025 Bonds”).

The Bonds are issued pursuant to Article XVI Section 59 of the Texas Constitution and general laws of the State of Texas, including but not limited to, Chapter 49 and 54 of the Texas Water Code as amended, pursuant to a resolution authorizing the issuance of the Bonds (the "Bond Resolution") to be adopted by the Board of Directors of Brazoria County Municipal Utility District No. 53 (the "District"), an election held within the District, and an order of the Texas Commission on Environmental Quality (the “TCEQ”).

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

RISK FACTORS

General

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

Potential Effects of Oil Price Fluctuation on the Houston Area

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

Dependence on the Energy Industry

The economy of the Houston metropolitan area, which has sometimes been referred to as the energy capital of the world, is, in part, dependent upon the oil and gas and petrochemical industries. During the height of the COVID-19 pandemic in 2020, worldwide consumption of energy decreased dramatically and led to the lowest oil prices in three decades. This led to layoffs of workers, business failures and reduced capital and operating expenditures by energy companies. While there has been some rebound, Houston area jobs in the energy industry have not fully recovered. In 2021, the United States rejoined the 2015 Paris Climate Accords, under which many countries have agreed to move away from fossil fuels to alleviate climate change. Although major energy companies expect that fossil fuels will be vital to the global economy for many years to come, they have recognized the need to direct more investment toward various clean energy projects. The pace and success of these efforts could significantly affect the Houston economy in the future.

Marketability

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

Tax Collections

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be impaired by (a) repetitive, annual, expensive collection procedures, (b) a federal bankruptcy court's stay of tax collection procedures, (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property, or (d) the taxpayer's right to redeem the property within six (6) months for commercial property and two (2) years for residential and all other property after the purchaser's deed issued at the foreclosure sale is filed in the county records. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Attorney's fees and other costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two (2) other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six (6) years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAXING PROCEDURES – District's Right in the Event of Tax Delinquencies".

Registered Owners' Remedies

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

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of the Registered Owners may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Specifically, the District may voluntarily file a petition for protection from creditors under the federal bankruptcy laws. During the pendency of the bankruptcy proceedings, the remedy of mandamus would not be available to the Registered Owners unless authorized by a federal bankruptcy judge.

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

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby invoking the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be appealable, the concomitant delay and loss of remedies to the Registered Owners could potentially and adversely impair the value of the Registered Owners' claim.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against the District.

A district cannot be placed into bankruptcy involuntarily.

Approval of the Bonds

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

Economic Factors

The continued growth and maintenance of taxable values in the District is directly related to the housing/home building industry. Historically, the housing and home building industry has been a cyclical industry, affected by both short-term and long-term interest rates, availability of mortgage and development funds, labor conditions, and general economic conditions including the relative price of oil and natural gas. Any future commercial building in the District (if any) could also be adversely affected by such economic developments.

Interest rates and the availability of mortgage and development funds have a direct impact on construction activity, particularly the short-term interest rates, at which developers and builders are able to obtain financing for development or building costs. Interest rate levels may affect the developers' or builders' ability to complete development or building plans. Long-term interest rates can affect home purchasers' ability to qualify for and afford the total financing costs of a new home. The continuation of long-term interest rates at higher levels may negatively affect home sales and the rate of growth of taxable values in the District.

The economy of the Houston, Texas metropolitan area and the southeast Texas regional area is largely dependent on the petrochemical industry. Recent fluctuations in the price of oil and related products have the potential to negatively affect the economy of the Houston, Texas metropolitan area and the southeast Texas region and likewise negatively affect housing prices, assessed valuations and continued development in the District. The District can make no prediction on what effect current or future oil prices may have on housing prices, assessed valuations and continued development in the District.

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

The housing industry in the Houston area is competitive and the District can give no assurance that current building programs will be completed. The competitive position of the Developer in the sale of its developed lots or, respectively, that of present and prospective builders in the construction of single-family residential houses, is affected by most of the factors discussed herein. Such a competitive position is directly related to tax revenues to be received by the District and the growth and maintenance of taxable values in the District.

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

Landowners/Developer under No Obligation to the District

Neither the Developer nor any other landowner within the District has any commitments or obligations to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes in the District. Currently, there is no restriction on any landowner's right (including the Developer) to sell its land. Failure to construct taxable improvements on developed lots (anticipated to be created by the Developer) and failure of landowners to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon certain principal taxpayers for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of either will be or what effect, if any, such conditions may have on their ability to pay taxes. See "DISTRICT TAX DATA – Principal Taxpayers."

Competition

The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. Many of the other developments are generally accessible by the same commuter routes and served by the same employment centers and school districts causing the developments to compete with one another for the same pool of buyers at similar price points and amenity levels.

The competitive position of the Developers in the sale of land and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

Dependence on Future Development and Potential Impact on District Tax Rates

The District's 2024 tax rate of $1.35 per $100 of assessed valuation is slightly higher than the tax rate that is common among many other similar utility districts providing water, sanitary sewer, and storm drainage services in Brazoria County. An increase in the District's tax rate substantially above such a level could have an adverse impact on future development in the District and on the District's ability to collect such tax.

Assuming no further residential building development within the District, other than that which has been constructed, the value of such land and improvements currently located and under construction within the District could be a major determinant of the ability of the District to collect, and the willingness of property owners to pay ad valorem taxes levied by the District. After the issuance of the Bonds, the maximum annual debt service requirement on the Bonds and the outstanding bonds will be $3,494,643 (2041). The District's 3/1/2025 Estimated Taxable Value is $417,687,050. Assuming no increase or decrease from the 3/1/2025 Estimated Taxable Value and no use of other District funds, a tax rate of $0.89 per $100 of Assessed Valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirements. The District's 2024 Certified Taxable Value is $343,989,121. Assuming no increase or decrease from the 2024 Certified Taxable Value and no use of other District funds, a tax rate of $1.07 per $100 of Assessed Valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirements. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue."

Future Debt

The District's voters have authorized the issuance of unlimited tax bonds for various purposes as reflected in the table below:

Amount	Purpose
$319,206,000	For certain water, sanitary sewer, and storm water facilities and for refunding
$94,450,000	For certain road facilities and for refunding
$35,133,000	For certain parks and recreational facilities and for refunding

After the issuance of the Bonds, the District will have $89,270,000 of unlimited tax road facility bonds (and for refunding such bonds previously issued) that will remain authorized but unissued, $272,476,000 of unlimited tax water, wastewater and drainage facilities bonds (and for refunding such bonds previously issued) that remains authorized but unissued, and $35,133,000 of unlimited tax parks and recreational facilities bonds (and for refunding such bonds previously issued) that remains authorized but unissued.

The District has the right to issue additional bonds as may hereafter be approved by both the Board and the voters of the District. Such additional bonds would be issued on a parity with the Bonds. Any future new money bonds (except for road bonds) to be issued by the District must also be approved by the TCEQ. Further, the principal amount of parks and recreational facilities bonds issued by the District may not exceed one percent of the District's certified taxable assessed valuation, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not more than three percent of the value of the taxable property in the District.

The District currently has one outstanding bond anticipation note. The District is issuing the Bonds in part to pay the interest and cost of issuance expenses on of the outstanding Series 2024 bond anticipation note.

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

Financing Parks and Recreational Facilities

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of the park project and bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not more than three percent of the value of the taxable property in the District. The District held a bond election on May 4, 2019, that authorized $35,133,000 of park bonds.

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

Continuing Compliance with Certain Covenants

Failure of the District to comply with certain covenants contained in the Bond Resolution on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "TAX MATTERS."

Environmental Regulations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Changes in Tax Legislation

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

Bond Insurance Risk Factors

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

Default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

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

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

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

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

Hurricane Beryl

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

Severe Weather

The District is located approximately 60 miles from the Texas Gulf Coast. Land located in this area is susceptible to high winds, heavy rain and flooding caused by hurricanes, tropical storms, and other tropical disturbances. If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or necessity to increase the District’s tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected.

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

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

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

Temporary Tax Exemption for Property Damaged by Disaster

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

Tax Payment Installments

Certain qualified taxpayers, including owners of residential homesteads, located within a natural 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.

In addition, under the Texas Tax Code, solely at the District's discretion, quarterly payments of ad valorem taxes on all taxable personal property of a business that lost money during a declared disaster or emergency regardless of whether the property was directly damaged as a result of the disaster or emergency are allowed.

Atlas 14

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

USE OF BOND PROCEEDS

Proceeds from the sale of the Bonds will be used by the District: to fund: (1) finance the costs of certain water, sewer, drainage, and detention improvements and engineering costs; (2) pay the $3,840,000 Bond Anticipation Note, Series 2024 (the "Series 2024 Note") interest and cost of issuance expenses; (3) water and wastewater capacity; (4) certain related Developer (hereinafter defined) interest costs; (5) $347,500 or (twelve) 12 months of capitalized interest on the Bonds; and (6) certain administrative costs and costs of issuance of the Bonds.

The Engineer has advised the District that the proceeds listed below should be sufficient for the acquisition of such facilities. The District's present estimate of the use of proceeds of the Bonds is as follows:

CONSTRUCTION COSTS	**Total Amount**	
Developer Contribution Items		
Sierra Vista West Section 7 – W, WW, & D	$915,606	
Sierra Vista West Section 8 – W, WW, & D	$1,074,217	
Sierra Vista West Section 9 – W, WW, & D	$832,911	
Sierra Vista West Section 10 – W, WW, & D	$1,319,405	
Engineering	$595,704	
Storm Water Pollution Prevention	$9,712	
Total Developer Contribution Items	**$4,747,555**	
District Items		
Water & Wastewater Capacity Purchase	$423,500	
Total District Items	**$423,500**	
SUBTOTAL CONSTRUCTION COSTS	$5,171,055	(a)
LESS: SURPLUS FUNDS	($225,000)	
TOTAL CONSTRUCTION COSTS	**$4,946,055**	
NON-CONSTRUCTION COSTS		
Legal Fees	$179,000	
Fiscal Agent Fees	$139,000	
Capitalized Interest	$347,500	
Developer Interest	$712,918	
BAN Interest	$201,600	
Bond Discount	$208,500	
Bond Issuance Expenses	$32,789	
Bond Anticipation Note Costs	$93,213	
Bond Application Report Costs	$65,100	
Attorney General Fee	$6,950	
TCEQ Bond Issuance Fee	$17,375	
Contingency	$0	(b)
TOTAL NON-CONSTRUCTION COSTS	**$2,003,945**	
TOTAL BOND ISSUE REQUIREMENT	**$6,950,000**	

(a) TCEQ rules require, with certain exceptions, that developers contribute a minimum of 30% of the construction costs of certain district system facilities. The District was granted a waiver from the TCEQ's 30% developer contribution requirement pursuant to 30 TEX. ADMIN. CODE §293.47(a)(3).

(b) The District will designate any surplus Bond proceeds resulting from the sale of the Bonds at a lower interest rate than the estimated rate as a contingency line item in the Final Official Statement. Such funds will be used by the District after approval of such expenditures by the Board of Directors, and in compliance with TCEQ rules.

THE DISTRICT

Authority

The District is a municipal utility district created by order of the TCEQ dated January 30, 2019. The District was created pursuant to the authority of Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution and operates pursuant to Chapter 49 and 54 Texas Water Code, as amended. The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54, Texas Water Code, as amended. The District is subject to the continuing supervision of the TCEQ. The District is empowered to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. Additionally, the District was created with certain road and park powers.

Under certain limited circumstances, the District is authorized to construct, develop, and maintain park and recreational facilities, and to construct roads. In addition, the District is authorized to establish, operate, and maintain a fire department, independently or with one or more other conservation and reclamation districts, and to provide such facilities and services to the customers of the District.

In order to obtain the consent of the City of Iowa Colony (the "City") to the inclusion of and within District (within whose extraterritorial jurisdiction the District lies) the District has agreed to observe certain City requirements. These requirements limit the purposes for which the District may sell bonds for the acquisition and improvement of waterworks, wastewater, and drainage facilities, road facilities, and park and recreational facilities; limit the net effective interest rate on such bonds and other terms of such bonds; and require the City's approval of certain of the District's construction plans and specifications.

Description

The District contains approximately 502 acres of land. The District is located entirely within Brazoria County, Texas, partially within the City of Iowa Colony and partially within the extraterritorial jurisdiction of the City. The District is located entirely within the Alvin Independent School District. The District is located approximately 20 miles south of the Central Business District of the City of Houston. The District consists of one tract of land. The District is generally bounded on the north by County Road No. 56 and to the east by County Road 48 and on the south by County Road 64. According to the District's Engineer, none of the acres of developed land noted in the table below would be subject to flooding during a hypothetical 100-year flood event.

Status of Land Development/Land Uses in the District

A summary of the approximate land use in the District as of March 1, 2025 appears in the following table:

Type of Land Use	Approximate Acres	
Developed Acres	347	(a)
Under Development	0	
Remaining Developable Acreage	30	(b)
Undevelopable Acreage	125	(c)
Total Approximate Acres	**502**	

(a) Represents the developable acres located in Sierra Vista West Subdivision, Sections 1-10. Such acreage also includes a 15.47-acre school site.

(b) Represents developable acres for single family development in the future.

(c) Includes street rights-of-way, detention ponds, drainage easements, parks and recreation, open spaces, District plant sites, pipeline easements and drilling sites. Includes approximately 17 acres in Sierra West, Sections 1, 2 and 5 that are utilized as drainage reserves.

Homebuilding Development

A tabulation of the single-family development and potential future commercial development within the District as of March 1, 2025, is approximately as follows:

Section	Acreage	Total Lots	Completed	Under Construction	Vacant Developed Lots
Sierra Vista West, Section 1	32 (a)	112	112	0	0
Sierra Vista West, Section 2	39 (b)	160	160	0	0
Sierra Vista West, Section 3	37 (c)	147	147	0	0
Sierra Vista West, Section 4	63	270	270	0	0
Sierra Vista West, Section 5	64 (d)(e)	198	198	0	0
Sierra Vista West, Section 6	25	84	84	0	0
Sierra Vista West, Section 7	30	109	96	3	10
Sierra Vista West, Section 8	19	78	51	14	13
Sierra Vista West, Section 9	25	99	43	6	50
Sierra Vista West, Section 10	18 (f)	110	110	0	0
TOTAL	**352**	**1,367**	**1,271**	**23**	**73**

(a) Acreage includes 4.9544 acres dedicated to drainage reserves and 0.3045 in lift station reserve.

(b) Acreage includes 4.2286 acres dedicated to drainage reserves.

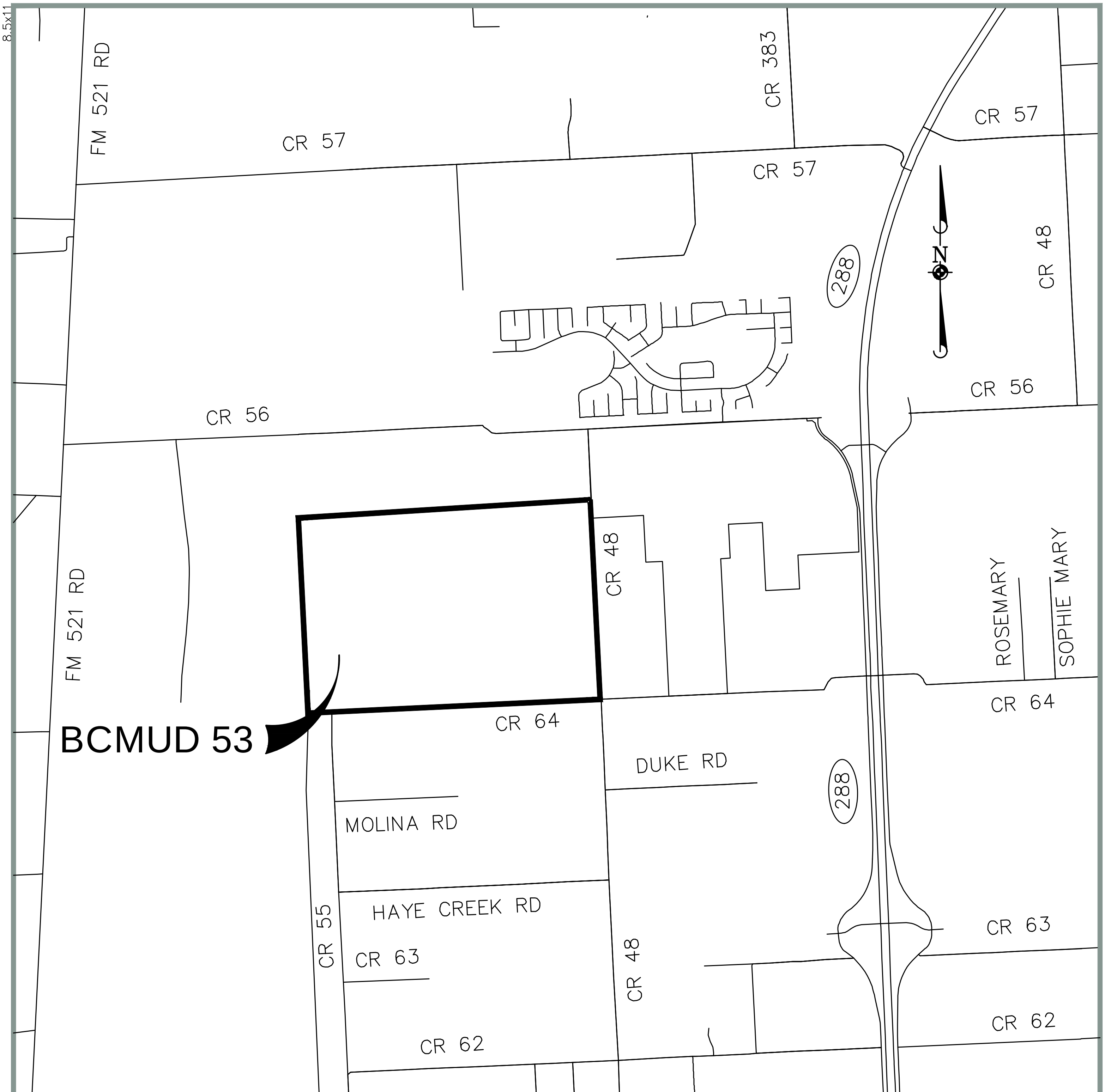
(c) Acreage includes 2.3290 acres dedicated to a drill site reserve.

(d) Represents lots developed by Meritage Homes.

(e) Includes 7.4184 acres dedicated to drainage reserve, 6.1097 acres dedicated to drill site and wastewater treatment plant reserves, and 1.1093 acres dedicated to a water plant reserve.

(f) CWT Sierra LP is the developer of Sierra Vista West, Section 10. Land development in this Section was completed in January 2023. The construction of 110 “build to rent” homes began during the third quarter of 2023 and was completed by January 2025. According to CWT Sierra LP, the average size of the houses in this section is approximately 1,771 square feet.

8.5x11



BRAZORIA KEY MAP: 692 J & N

ZIP CODE 77422

LOCATION MAP

1" = 1/2 MILE

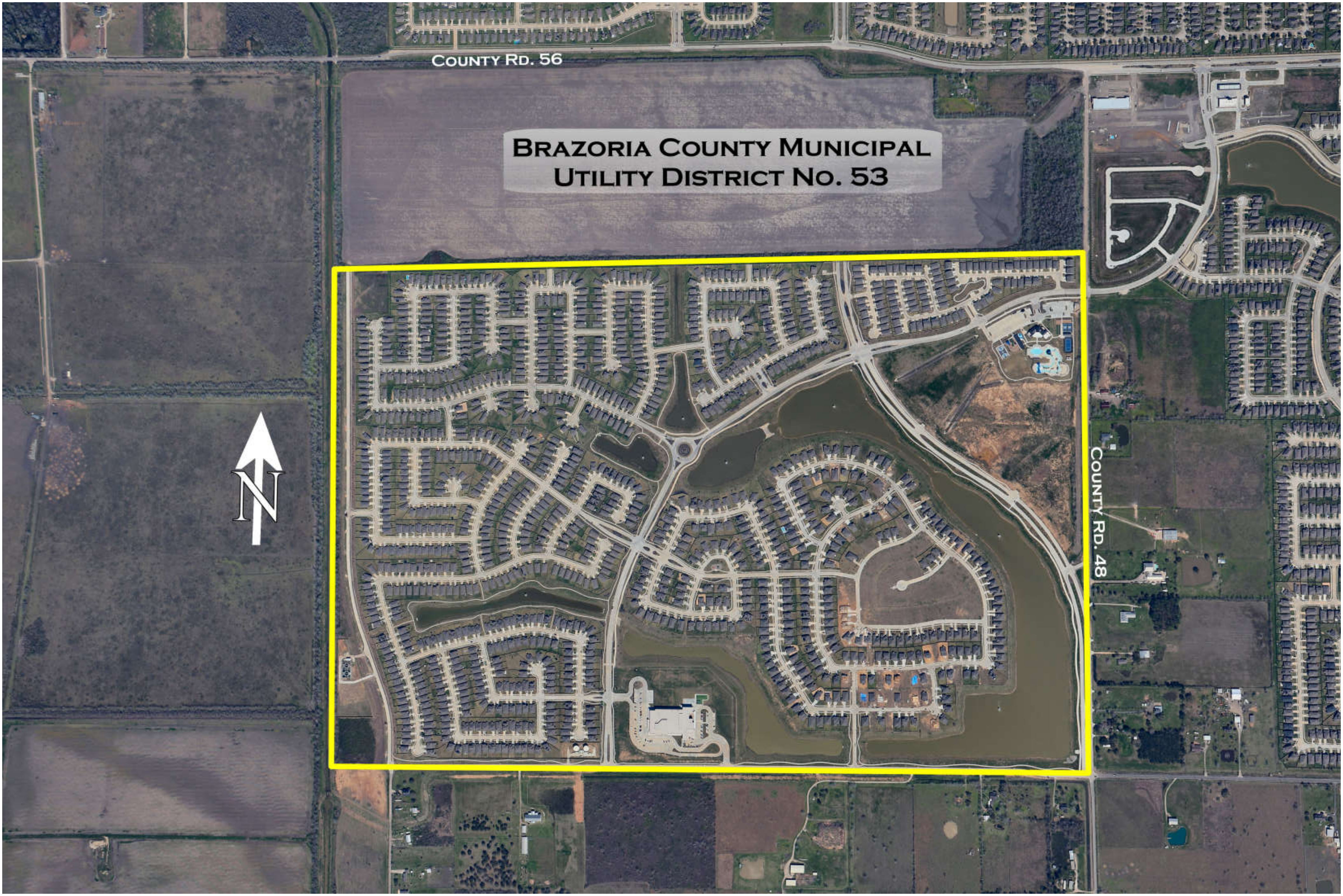
ATTACHMENT 4

BRAZORIA COUNTY M.U.D. No. 53

LOCATION MAP

ELEVATION land solutions

AERIAL PHOTOGRAPH



THE DISTRICT'S DEVELOPERS

Role of a Developer

In general, the activities of a developer in a municipal utility district, such as the District, include purchasing the land within a district, designing the streets 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, and selling improved lots and commercial reserves to builders, other developers, or other third parties. In most instances, a developer will be required to pay up to 30% of the cost of financing certain water, wastewater, and drainage facilities in the utility district exclusive of water and sewage treatment plants unless a waiver from this requirement is requested and obtained from the TCEQ by the District, pursuant to the rules of the TCEQ. In addition, a developer is ordinarily the major taxpayer within a utility district during the property development phase and the developer's inability to pay the taxes assessed on its property within a district would have a materially adverse effect on the revenues of the district. The relative success or failure of a developer to perform development activities within a utility district may have a profound effect on the ability of the district to generate sufficient tax revenues to service and retire all tax bonds issued by the district. While a developer generally commits to pave streets and pay its allocable portion of the costs of utilities to be financed by the utility district through a specific bond issue, a developer is generally under no obligation to a district to undertake development activities with respect to other property that it owns within a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a district.

The Developers

The Developer of substantially all of the land in the District is Land Tejas Sterling Lakes South, LLC (the "Original Developer"), a special purpose entity created by Land Tejas Companies, Ltd. solely for the purpose of developing land located within the District. The General Partner and sole member of the Developer is Mr. Al P. Brende who is also the President of Land Tejas Companies, Ltd.

In December 2021, the Original Developer sold a portion of its interests to Astro Sierra Vista LP, a Delaware limited partnership created by Mr. Al P. Brende/the Land Tejas Companies and Starwood Land Astro Venture LP. Starwood Land Venture LP is a special purpose entity established solely for the purpose of developing land and marketing developed land within the District. Starwood Land Astro Venture LP has entered into a management agreement with the Land Tejas companies for the purpose of managing the day to day development activities within the District. The Original Developer has assigned its developer financing agreement with the District to Astro Sierra Vista LP.

CWT Sierra LP is the developer of Sierra Vista West, Section 10. Land development in this Section was completed in January 2023. The construction of 110 "build to rent" homes began during the third quarter of 2023 and was completed by January 2025. According to CWT Sierra LP, the average size of the houses in this section is approximately 1,771 square feet. The Original Developer, Astro Sierra Vista LP and CWT Sierra LP are collectively referred to herein as the "Developers".

THE SYSTEM

Regulation

Construction and operation of the District's water, wastewater and storm drainage system (the "System") as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District. Discharge of treated sewage into Texas waters is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency. Brazoria County, the City, and the Texas Department of Health also exercise regulatory jurisdiction over the District's System.

Water Supply

The District now obtains water supply capacity from the water supply facilities owned and operated by the City. The City bills the users in the District directly for water service on a monthly basis and District users make payments directly to the City. Therefore, the District receives no water revenues and is dependent upon the District Operations and Maintenance tax revenue to balance its general fund budget. Under the Facility Conveyance Agreement, the District has reserved to it capacity in the water supply facilities in an amount equal to 1,666 equivalent single-family connections ("ESFCs"). The District's reserved water supply capacity is adequate to serve the ultimate buildout of the residential portion of the District. However, the District may have to add water supply capacity to serve the commercial buildout of the District depending upon the density of the future commercial development. The District will be responsible for the acquisition and construction of any additional water supply and water distribution facilities necessary to serve the ultimate buildout of the District in full, which facilities will be conveyed to the City for ownership and operation.

Wastewater Treatment

The District now obtains wastewater treatment capacity from the wastewater collection and treatment facilities owned and operated by the City. The City bills the users in the District directly for sewer service on a monthly basis and District users make payments directly to the City. Therefore, the District receives no sewer revenues and is dependent upon the District Operations and Maintenance tax revenue to balance its general fund budget. Under the Facility Conveyance Agreement, the District has reserved to it capacity in the wastewater collection and treatment facilities in an amount equal to 1,600 ESFCs (based on 260 gallons to per day of wastewater flow per connection) provided, however, the District is obligated to continue to pay its pro-rata share of the lease payments for those portions of the water supply and water distribution facilities subject to lease agreements. The District is currently serving approximately 1,300 ESFCs. The District's reserved capacity is sufficient to serve the ultimate buildout of the residential portion of the District. However, the District may have to add additional wastewater treatment plant capacity depending on the density for the future commercial development in the District. The District will be responsible for the acquisition and construction of any additional wastewater collection and treatment facilities necessary to serve the ultimate buildout of the District in full, which facilities will be conveyed to the City for ownership and operation.

Storm Drainage Facilities

Land within the District naturally drains northwest to southeast through a series of agricultural ditches to the West Fork of Chocolate Bayou and then to Chocolate Bayou. Both ditches are maintained by Brazoria County Drainage District No. 5. The District has constructed underground storm sewers which discharge into a series of detention ponds providing storm water detention to offset increased rainfall runoff associated with development of land in the District.

Water Distribution, Wastewater Collection and Storm Drainage Facilities

Water distribution, wastewater collection, and storm drainage facilities have been constructed to serve 1,367 lots in the District.

100-Year Flood Plain

None of the District is located within the 100- year floodplain as determined by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Map Numbers 48039C0115K dated December 30, 2020, Brazoria County, Texas, and Incorporated Areas.

General Fund Operating History

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

	Fiscal Year Ended February 28 (a)					
	2024		2023	2022	2021	2020
REVENUES						
Property taxes	$2,271,358		$1,334,867	$298,649	$113,226	$8,245
Water service	$293,874		$214,607	$76,828	$5,414	$100
Sewer service	$448,035		$277,804	$82,454	$6,921	-
Penalty and interest	$17,376		$15,157	$6,102	$416	-
Tap connection and inspection fees	$1,932,787	(b)	$2,316,152	$1,525,138	$501,483	$22,650
Investment income	$128,779		$57,172	$292	$534	$23
Other income	$64,557		$42,315	$10,549	$580	-
TOTAL REVENUES	**$5,156,766**		**$4,258,074**	**$2,000,012**	**$628,574**	**$31,018**
EXPENDITURES						
Service operations:						
Purchased Services	$41,706		-	-	-	-
Professional fees	$197,744		$172,578	$142,585	$136,566	$31,848
Contracted services	$385,023		$263,079	$140,509	$32,748	$9,870
Utilities	$65,544		$46,966	$23,576	$3,750	-
Repairs and maintenance	$508,570		$516,313	$372,360	$76,920	$202
Other expenditures	$165,677		$182,186	$115,081	$39,736	$19,562
Tap connections	$341,705		$485,348	$326,807	$84,788	$3,500
Capital Outlay	$1,784,378		$425,015	$94,793	$1,099,701	$6,575
Lease payments	$425,005		$425,005	$247,919	-	-
Debt service, debt issuance costs	-		-	-	$15,161	-
TOTAL EXPENDITURES	**$3,915,352**		**$2,516,490**	**$1,463,630**	**$1,489,370**	**$71,557**
Excess (Deficiency) of Revenues Over Expenditures	**$1,241,414**		**$1,741,584**	**$536,382**	**($860,796)**	**($40,539)**
Other Financing Sources (Uses)						
Interfund transfers out	-		($141,354)	-	-	-
Developer advances received	-		-	-	$29,500	$78,400
Capital recovery fees	-		-	-	$1,070,300	$235,200
Total other financing sources (uses)	**-**		**($141,354)**	**-**	**$1,099,800**	**$313,600**
Excess of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	$1,241,144		$1,600,230	$536,382	$239,004	$273,061
Fund Balance, Beginning of Year	**$2,648,677**		**$1,048,447**	**$512,065**	**$273,061**	**$0**
Fund Balance, End of Year	**$3,890,091**	(c)	**$2,648,677**	**$1,048,447**	**$512,065**	**$273,061**

(a) Per data provided in the District's audited financial statements. See "APPENDIX A" for the District's audited financial statements for the fiscal year ended February 29, 2024.

(b) A portion of the tap connection fee includes the cost of installing and maintaining the tap. Additionally, the tap connection fee includes funds that are dedicated to the payment of water and wastewater treatment capacity necessary to serve the lot; such portion will be used for capital costs and is segregated from general operating revenues.

(c) As of May 9, 2025, the District's General Fund had an unaudited cash and investment balance of approximately $3,423,311. For the fiscal year ended February 28, 2025 the District experienced unaudited revenues of approximately $4,295,648 and unaudited operating expenditures of approximately $2,254,487. For the fiscal year ending February 28, 2026 the District is budgeting revenues of approximately $3,848,532 and operating expenditures of approximately $2,142,109.

MANAGEMENT OF THE DISTRICT

The District is governed by a board of directors (the "Board"), which has control over and management supervision of all affairs of the District. None of the directors reside in the District; each of the directors owns a parcel of land in the District subject to a note and deed of trust. A directors' election is held within the District in May in even-numbered years. Directors are elected to serve four-year staggered terms. The current members and officers of the Board, along with their titles on the Board, are listed below.

Name	Title	Expires May
Andrew Bowman	President	2026
Edrian J. Gary	Vice President	2026
Debbie Wang Romero	Secretary	2028
Lawrence Williams	Assistant Vice President	2028
Pierre Chatman	Assistant Secretary	2026

The District does not employ a general manager or any other full-time employees. The District has contracted for bookkeeping, tax assessing and collecting services, and annual auditing of its financial statements as follows:

Tax Assessor/Collector – The District's Tax Assessor/Collector is Assessments of the Southwest, Inc., who is employed under an annual contract and represents approximately 200 other utility districts.

Bookkeeper – The District's Bookkeeper is McLennan & Associates, LP, which acts as bookkeeper for approximately 200 other utility districts.

Auditor – The financial statements of the District as of February 29, 2024, and for the year then ended, included in this offering document, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's February 29, 2024 audited financial statements.

Utility System Operator – The System's operator is Si Environmental, LLC (the "Operator") who serves as the Operator for approximately 37 other special districts.

Engineer – The consulting engineer for the District is Elevation Land Solutions (the "Engineer").

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

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

Disclosure Counsel – Norton Rose Fulbright US LLP, Houston, Texas, serves as Disclosure Counsel on certain matters related to the sale and delivery of the Bonds, but such advice should not be relied upon by the purchasers as a due diligence undertaking on their behalf. Fees of the Disclosure Counsel will be paid from proceeds of the Bonds; such fees are contingent upon the sale and delivery of such Bonds.

DISTRICT INVESTMENT POLICY

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

DISTRICT DEBT

3/1/2025 Estimated Taxable Value	$417,687,050	(a)
2024 Certified Taxable Value	$343,989,121	(b)
Direct Debt		
Outstanding Bonds (As of April 1, 2025)	$44,700,000	
The Bonds	$6,950,000	
Total Direct Debt	$51,650,000	
Estimated Overlapping Debt	$23,700,353	
Direct and Estimated Overlapping Debt	$75,350,353	
Percentage of Direct Debt to:		
3/1/2025 Estimated Taxable Value	12.37%	
2024 Certified Taxable Value	15.02%	
Percentage of Direct and Estimated Overlapping Debt to:		
3/1/2025 Estimated Taxable Value	18.04%	
2024 Certified Taxable Value	21.90%	
2024 Tax Rate Per $100 of Assessed Value		
Debt Service Tax	$0.45	
Road Debt Service Tax	$0.10	
Maintenance Tax	$0.80	
Total 2024 Tax Rate	$1.35	

(a) Reflects data supplied by Brazoria County Appraisal District ("BCAD"). The 3/1/2025 Estimated Taxable Value was prepared by BCAD and provided to the District. Such values are not binding on BCAD and are provided for informational purposes only. The District is authorized by law to levy taxes only against certified values. See "DISTRICT TAX DATA."

(b) Reflects the January 1, 2024 Certified Taxable Value according to data supplied by BCAD. The District is authorized by law to levy taxes only against certified values. See "DISTRICT TAX DATA" and "TAXING PROCEDURES."

Estimated Overlapping Debt

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

Taxing Jurisdiction	Outstanding Debt	Overlapping %	Overlapping Debt Amount
Brazoria County	$116,970,000	0.62%	$725,143
Alvin Independent School District	$951,950,000	2.21%	$20,992,817
Alvin Community College District	$17,050,000	1.69%	$288,033
Brazoria County Drainage District No. 5	$0	10.01%	$0
Port Freeport	$122,855,000	1.38%	$1,694,360
Total Estimated Overlapping Debt			**$23,700,353**
The District (a)			$51,650,000
Total Direct and Estimated Overlapping Debt			**$75,350,353**

(a) Includes the Bonds.

DISTRICT TAX DATA

Tax Rate and Collections

The following table sets forth the historical tax information collection experience of the District for the years 2020 through 2024 as of April 30, 2025. Such table has also been prepared based upon information from District records. Reference is made to such records for further and complete information.

Year	Taxable Valuation	Tax Rate (a)	Tax Levy	Cumulative Tax Collections (b)	Year Ended September 30
2024	$343,989,121	$1.35	$4,643,853	99% (c)	2025
2023	$276,927,434	$1.35	$3,738,520	100%	2024
2022	$129,300,645	$1.35	$1,745,559	100%	2023
2021	$26,443,893	$1.35	$356,993	100%	2022
2020	$8,294,456	$1.35	$111,975	100%	2021

(a) See “Tax Rate Distribution” herein.

(b) Represents cumulative collections as of April 30, 2025.

(c) The 2024 taxes are in the process of collections; such taxes became delinquent if not paid before March 1, 2025.

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance and operation of the District and its facilities. Such tax is in addition to taxes that the District is authorized to levy for paying principal of and interest on the Bonds, and any tax bonds that may be issued in the future. The District's voters authorized a maintenance tax of up to $1.50 per $100.00 of assessed valuation at an election held on May 4, 2019. See “Tax Rate Distribution” herein.

Tax Rate Distribution

The following table sets forth the tax rate distribution of the District for the years 2020 through 2024.

	2024	2023	2022	2021	2020
Debt Service	$0.45	$0.38	$0.34	$0.00	$0.00
Road Debt Service	$0.10	$0.13	$0.00	$0.00	$0.00
Maintenance/Operations	$0.80	$0.84	$1.01	$1.35	$1.35
Total	**$1.35**	**$1.35**	**$1.35**	**$1.35**	**$1.35**

Additional Penalties

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

Principal Taxpayers

The list of principal taxpayers for 2024 and the other information provided by this table were provided by BCAD to the District's Tax Assessor/Collector based on certified tax rolls net of any exemptions from taxation. This table does not reflect any corrections pursuant to subsequent action of BCAD.

Property Owner	Property Description	Property Value	% of Total
Clay Residential-Sierra Vista LP	Single-Family/Vacant	$19,540,718	5.68%
CWT Sierra LP	Single-Family	$13,804,140	4.01%
LGI Homes - Texas LLC	Inventory	$5,574,300	1.62%
Davidson Homes LLC	Inventory/Vacant	$3,488,860	1.01%
CW-Audubon LLC	Inventory	$2,303,610	0.67%
SDH Houston LLC	Inventory	$1,676,250	0.49%
Castlerock Communities LLC	Inventory	$1,166,250	0.34%
Astro Sierra Vista LP	Land/Vacant	$1,125,344	0.33%
Meritage Homes of Texas LLC	Inventory	$1,034,870	0.30%
Castlerock Communities LP	Inventory	$868,850	0.25%
TOTAL TOP 10 VALUE		**$50,583,192**	**14.70%**

Analysis of Tax Base

Based on information provided to the District by BCAD and its Tax Assessor/Collector, the following represents the composition of property comprising the gross tax roll valuations and the deferments for 2020 through 2024.

Year	Land	Improvements	Personal Property	Gross Valuations	Exemptions	Taxable Valuations	
2024	$83,197,750	$313,112,015	$699,060	$397,008,825	$53,019,704	$343,989,121	(a)
2023	$78,338,760	$247,066,086	$398,370	$325,803,216	$48,875,782	$276,927,434	
2022	$52,557,263	$82,646,963	$54,050	$135,258,276	$5,957,631	$129,300,645	
2021	$18,655,750	$8,069,750	$10,480	$26,735,980	$292,087	$26,443,893	
2020	$8,325,290	$0	$0	$8,325,290	$30,834	$8,294,456	

(a) Reflects the January 1, 2024 Certified Taxable Value according to data supplied to the District by BCAD. See "TAXING PROCEDURES."

Estimated Overlapping Taxes

The following table sets forth all 2024 taxes levied by overlapping taxing jurisdictions for substantially all of the completed homes and homes under construction that are located within the District. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges, or any other levy by entities other than political subdivisions.

Taxing Jurisdictions	2024 Tax Rate
Brazoria County	$0.261625
Road & Bridge Fund	$0.041921
Alvin Independent School District	$1.170000
Alvin Community College	$0.155988
Brazoria County Drainage District No. 5 - Iowa Colony Drainage	$0.104079
Brazoria County Emergency Service District No. 3	$0.077459
Port Freeport	$0.000000
Overlapping Taxes	$1.811072
The District	$1.350000
Total Direct & Overlapping Taxes	**$3.161072**

Tax Adequacy of Tax Revenue

The calculations shown below are solely for the purpose of illustration, reflect no net revenues of the System, no transfers of surplus funds from the District's Operating Fund to the Debt Service Fund, and no increase or decrease in assessed valuation over the 3/1/2025 Estimated Taxable Valuation and the 2024 Certified Taxable Valuation. The calculations utilize a tax rate adequate to service the District's maximum annual debt service requirements after issuance of the Bonds.

Maximum Annual Debt Service Requirements (2041) ....$3,494,643 (a)

Requires a $0.89 debt service tax rate on the 3/1/2025 Estimated Taxable Value at 95% collections..................... $3,531,544 (a)

Requires a $1.07 debt service tax rate on the 2024 Certified Taxable Value at 95% collections ....$3,496,649 (a)

(a) Preliminary, subject to change.

TAXING PROCEDURES

Authority to Levy Taxes

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

Tax Code and County-Wide Appraisal District

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to, property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares, and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and of certain disabled persons, and travel trailers, to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by 20% of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans, or certain surviving dependents of disabled veterans if requested, but only to the maximum extent of $5,000 to $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to the exemption for the full amount of the residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran is entitled to an exemption for the full value of the veteran's residence homestead to which the disabled veterans' exemption applied including the surviving spouse of a disabled veteran who would have qualified for such exemption if it had been in effect on the date the disabled veteran died. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homesteads in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to 20% of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the assessor and collector of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. The District has never adopted an order granting a general residential homestead exemption.

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

Tax Abatement

Either Brazoria County or the City may designate all or part of the area within the District as a reinvestment zone. Thereafter, the City, Brazoria County, or the District at the option and discretion of each entity, may enter into tax abatement agreements with property owners within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement agreements, which each entity will follow in granting tax abatement agreements to owners of property. The tax abatement agreements may exempt property from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to 10 years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction, including the District, has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

Generally, property in the District must be appraised by BCAD 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 100% of market value, as such is defined in the Property Tax Code. A residence homestead is required to be appraised solely on the basis of its value as a residence homestead regardless of whether residential use is considered to be the highest and best use of the property.

The Property Tax Code permits land designated for agricultural use, open space, or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business are valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space, or timberland designation or residential real property inventory designation must apply for the designation, and the chief appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use, open space land, and timberland.

The Property Tax Code requires BCAD to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in BCAD at least once every three years. It is not known what frequency of reappraisal will be utilized by BCAD 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 BCAD 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 BCAD chooses to formally include such values on its appraisal roll.

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

District and Taxpayer Remedies

Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

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

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both subject to the restrictions on residential homesteads described above under "Levy and Collection of Taxes." 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 cost of suit and sale, by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "RISK FACTORS – Tax Collections."

The Effect of FIRREA on Tax Collections of the District

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

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

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

ANNEXATION, STRATEGIC PARTNERSHIP AGREEMENT, AND CONSOLIDATION

Annexation by the City of Iowa Colony

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District must conform to a City consent ordinance. Generally, the District may be annexed by the City without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District. However, under legislation effective December 1, 2017, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City and the District specifying the procedures for full purpose annexation of all or a portion of the District.

If the District is annexed, District will continue as a "limited district" as described below. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

Strategic Partnership Agreement

The District entered into a strategic partnership agreement, dated January 10, 2022 (the "SPA"), with the City to provide the terms and conditions under which municipal service will be provided and funded by the parties, and under which the District will continue to exist for an extended period of time if the land within the District were to be annexed for full or limited purposes by the City. The terms of the SPA provide that the City may annex the District for limited purposes to collect the City's one percent sales and use taxes, and that the City may annex the District for full purposes 20 years from the date of the SPA, or when the District has constructed and financed 90 percent of its paving, water, wastewater and drainage infrastructure, whichever comes first. Thereafter, the District will continue as a "limited district" for the purpose of servicing its debt, operating its system, and other purposes described in the SPA. The District with thereafter be subject to the City's ad valorem taxation, as well as the ad valorem taxes of the District; provided that the City agrees to consider the impact of the City tax rate on the District's ability to finance its infrastructure debt, and will enter into an agreement to be negotiated at such time that will provide for a payment to the District by the City in consideration thereof.

Consolidation

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

THE BONDS

General

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

The Bonds will be dated and will bear interest from June 1, 2025, at the per annum rates shown on the cover page hereof. The Bonds are fully registered, serial bonds maturing on April 1 in the years and in the principal amounts set forth on the cover page hereof. Interest on the Bonds is payable October 1, 2025, and each April 1 and October 1 thereafter until the earlier of maturity or redemption. The Record Date on the Bonds is the 15th day of the calendar month next preceding the interest payment date.

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

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

Optional Redemption

The Bonds maturing on and after April 1, 2031, are subject to redemption prior to scheduled maturity at the option of the District, in whole or from time to time in part, on April 1, 2030, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date. In the event the Bonds are to be redeemed in part, the maturities and principal amounts to be redeemed shall be selected by the District. In the event of redemption of fewer than all of the Bonds of a particular maturity, the Paying Agent/Registrar, on behalf of the District, will select the Bonds of such maturity to be redeemed by lot or by such other customary method as the Paying Agent/Registrar deems fair and appropriate or while the Bonds are in Book-Entry-Only form the portions to be redeemed shall be selected by DTC in accordance with its procedures.

Source of and Security for Payment

The Bonds are secured by, and payable from, the levy of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property in the District. In the Bond 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, Registrar fees, and Appraisal District' fees. The Bonds are obligations of the District and are not the obligations of the State of Texas, Brazoria County, the City, or any entity other than the District.

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

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

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

Funds

In the Bond Resolution, the Debt Service Fund is confirmed and the proceeds from all taxes levied, appraised, and collected for and on account of the Bonds authorized by the Bond Resolution, shall be deposited as collected in such fund.

Accrued interest on the Bonds and $347,500 or twelve (12) months of capitalized interest, funded with proceeds of the Bonds, shall be deposited into the Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Capital Projects Fund to be used for the purpose of reimbursing the Developer for certain construction and land acquisition costs and for paying the costs of issuance of the Bonds. Any monies remaining in the Capital Projects Fund will be used as described in the Bond Resolution in accordance with TCEQ rules.

No Arbitrage

The District will certify as of the date the Bonds are delivered and paid for that, based upon all facts and estimates then known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be "arbitrage bonds" under the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder. Furthermore, all officers, employees, and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District are authorized to certify to the facts and circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District covenants in the Bond Resolution 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.

Paying Agent/Registrar

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

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

Registration and Transfer

In the event the Book-Entry-Only System should be discontinued, the Bonds will be transferable only on the Bond Register kept by the Registrar upon surrender and reissuance. The Bonds are exchangeable for an equal principal amount of Bonds of the same maturity and of any authorized denomination upon surrender of the Bonds to be exchanged at the operations office of the Registrar in Houston, Texas. See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be utilized initially in regard to the ownership and transferability of the Bonds. Every Bond presented or surrendered for transfer is required to be duly endorsed, or be accompanied by a written instrument of transfer, in a form satisfactory to the Registrar. Neither the Registrar nor the District is required (1) to transfer or exchange any Bond during the period beginning at the opening of business on a Record Date (defined herein) and ending at the close of business on the next succeeding interest payment date, or (2) to transfer or exchange any Bond selected for redemption in whole or in part within 30 calendar days of the redemption date. No service charge will be made for any transfer or exchange, but the District or the Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

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, or receipt of satisfactory evidence of such destruction, loss, or theft and receipt by the District and the Registrar of security or indemnity as may be required by either of them to keep them harmless. The District will require payment of taxes, governmental charges, and expenses in connection with any such replacement.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

Issuance of Additional Debt

The District's voters have authorized the issuance of unlimited tax bonds for various purposes as reflected in the table below:

Amount	Purpose
$319,206,000	For certain water, sanitary sewer, and storm water facilities and for refunding
$94,450,000	For certain road facilities and for refunding
$35,133,000	For certain parks and recreational facilities and for refunding

After the issuance of the Bonds, the District will have $89,270,000 of unlimited tax road facility bonds (and for refunding such bonds previously issued) that will remain authorized but unissued, $272,476,000 of unlimited tax water, wastewater and drainage facilities bonds (and for refunding such bonds previously issued) that remains authorized but unissued, and $35,133,000 of unlimited tax parks and recreational facilities bonds (and for refunding such bonds previously issued) that remains authorized but unissued.

The District has the right to issue additional bonds, as may hereafter be approved by both the Board and the voters of the District. Such additional bonds would be issued on a parity with the Bonds. Any future new money bonds (except road bonds) to be issued by the District must also be approved by the TCEQ. Further, the principal amount of parks and recreational facilities bonds issued by the District may not exceed one percent of the District's certified taxable assessed valuation, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not more than three percent of the value of the taxable property in the District.

The District currently has one outstanding bond anticipation note. The District is issuing the Bonds in part to pay the interest and cost of issuance expenses of the outstanding Series 2024 bond anticipation note.

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

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds (defined as "Securities" in this section only) is to be transferred and how the principal of, premium, if any, Maturity Value, and interest on the Securities are to be paid to and credited by DTC while the Securities are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Financial Advisor, and the Underwriter believe the source of such information to be reliable but take no responsibility for the accuracy or completeness thereof.

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

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

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

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

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

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

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

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

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

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

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

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

LEGAL MATTERS

Legal Opinions

The District will furnish the Underwriter a transcript (the "Transcript") of certain certified proceedings incident to the issuance and authorization of the Bonds. Such Transcript will include the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and legally binding obligations of the District payable from the proceeds of an annual ad valorem tax, levied without limit as to rate or amount, upon all taxable property in the District. The District will also furnish the approving legal opinion of Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without limitation as to rate or amount, against all taxable property within the District; 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.

Legal Review

In its capacity as Bond Counsel, Allen Boone Humphries Robinson LLP has reviewed the information appearing in this Official Statement under the captions "CONTINUING DISCLOSURE OF INFORMATION – SEC RULE 15c2-12," "THE DISTRICT – Authority," "TAXING PROCEDURES," "ANNEXATION, STRATEGIC PARTNERSHIP AGREEMENT and CONSOLIDATION," "THE BONDS," "LEGAL MATTERS - Legal Opinions" (to the extent such section relates to the opinion of Bond Counsel) and " – Legal Review," "TAX MATTERS," and "REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS" solely to determine whether such information fairly summarizes the documents and legal matters referred to therein. Bond Counsel has not, however, independently verified any of the other 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 any of the other information contained herein. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for, or an expression of opinion of any kind, with regard to the accuracy or completeness of any information contained herein, other than the matters discussed immediately above.

Allen Boone Humphries Robinson LLP also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with 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

On the date of delivery of the Bonds, the District will execute and deliver a certificate to the effect that there is not pending, and to the knowledge of the District, there is not threatened any litigation affecting the validity of the Bonds, the levy and/or collection of taxes for the payment thereof, 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 Underwriter to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District from that set forth or contemplated in the Official Statement.

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 (the "Code"), imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds and the source of repayment, limitations on the investment of proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States, and a requirement that the District 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 that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the District, the District's Financial Advisor, and the Underwriter with respect to matters solely within the knowledge of the District, the District's Financial Advisor, and the Underwriter, respectively, which Bond Counsel has not independently verified. If the District should fail to comply with the covenants in the Bond Resolution or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the date of delivery of the Bonds regardless of the date on which the event causing such taxability occurs.

Under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year. Payments 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 Underwriter has purchased the Bonds for contemporaneous sale to the general public and not for investment purposes, and (b) all of the Original Issue Discount Bonds have been offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a cash price (and with no other consideration being included) equal to the initial offering prices thereof stated on the cover page of this Official Statement, and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Bond for purposes of determining the amount of gain or loss recognized by such owner upon redemption, sale, or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price plus the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale, or other disposition of Original Issue Discount Bonds that 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.

Qualified Tax-Exempt Obligations

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

The District will designate the Bonds as "qualified tax-exempt obligations" and will represent that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2025 is not expected to exceed $10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than $10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2025.

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

REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS

The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

OFFICIAL STATEMENT

Sources of Information

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

Financial Advisor

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

Consultants

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

Engineer - The information contained in this Official Statement relating to engineering matters generally and to the description of the System and in particular that information included in the sections entitled "THE SYSTEM," "USE OF BOND PROCEEDS," and certain engineering matters included in "THE DISTRICT – Description," and "THE DISTRICT - Status of Land Development/Land Uses in the District" has been provided by Elevation Land Solutions and has been included in reliance upon the authority of such firm as an expert in the field of civil engineering.

Tax Assessor/Collector - The information contained in this Official Statement relating to the estimated assessed valuation of property and, in particular, such information contained in the section captioned "DISTRICT TAX DATA," has been provided by BCAD and by Assessments of the Southwest, Inc., in reliance upon their authority as experts in the field of tax assessing and appraising.

Auditor - The financial statements of the District as of February 29, 2024, and for the year then ended, included in this offering document, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's February 29, 2024 audited financial statements.

Continuing Availability of Financial Information

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

The District's financial records and audited financial statements are available for public inspection during regular business hours at the office of the District and copies will be provided on written request, to the extent permitted by law, upon payment of copying charges. Requests for copies should be addressed to the District in care of Allen Boone Humphries Robinson LLP, Phoenix Tower, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

Certification as to Official Statement

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

Updating of Official Statement

The District will keep the Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information comes to its attention, in the other matters described in the Official Statement, until the delivery of the Bonds. All information with respect to the resale of the Bonds shall be the responsibility of the Underwriter.

MISCELLANEOUS

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

This Official Statement was approved by the Board of Directors of Brazoria County Municipal Utility District No. 53 as of the date shown on the cover page.

APPENDIX A

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF THE DISTRICT

FOR THE FISCAL YEAR ENDED FEBRUARY 29, 2024

Brazoria County Municipal Utility District No. 53

Brazoria County, Texas

Independent Auditor's Report and Financial Statements

February 29, 2024

Contents

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Independent Auditor's Report

Board of Directors
Brazoria County Municipal Utility District No. 53
Brazoria County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Brazoria County Municipal Utility District No. 53 (the District), as of and for the year ended February 29, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of February 29, 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 (GAAS). 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the beginning net position in the government-wide financial statements has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 12 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 GAAS 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 GAAS, 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 schedule, as listed in the table of contents, 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 accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

Houston, Texas
July 10, 2024

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. 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 or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2024	Restated 2023
Current and other assets	$ 7,110,166	$ 4,671,905
Capital assets	42,763,591	34,157,168
Total assets	$ 49,873,757	$ 38,829,073
Long-term liabilities	$ 59,090,140	$ 42,776,772
Other liabilities	1,436,578	1,660,318
Total liabilities	60,526,718	44,437,090

Summary of Net Position (Continued)

	2024	Restated 2023
Net position:		
Net investment in capital assets	(4,399,923)	(3,079,281)
Restricted	1,124,527	271,038
Unrestricted	(7,377,565)	(2,799,774)
Total net position	$ (10,652,961)	$ (5,608,017)

The total net position of the District decreased by $5,044,944, or about 90%. The majority of the decrease in net position is related to the conveyance of capital assets to another governmental entity for maintenance. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	2024	Restated 2023
Revenues:		
Property taxes	$ 3,743,279	$ 1,756,913
Charges for services	741,909	492,411
Other revenues	2,258,713	2,455,243
Total revenues	6,743,901	4,704,567
Expenses:		
Services	2,137,161	2,807,926
Conveyance of capital assets	6,401,997	177,192
Depreciation	905,674	743,255
Debt service	2,344,013	744,038
Total expenses	11,788,845	4,472,411
Change in net position	(5,044,944)	232,156
Net position, beginning of year	(5,608,017)	(5,840,173)
Net position, end of year	$ (10,652,961)	$ (5,608,017)

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended February 29, 2024, were $6,215,811, an increase of $2,778,100 from the prior year.

The general fund's fund balance increased by $1,241,414, primarily due to property taxes and service revenues, investment income and tap connection and inspection fees revenues exceeding service operations, lease payments and capital outlay expenditures.

The debt service fund's fund balance increased by $1,324,803, primarily due to property tax revenues and proceeds received from the sale of the Series 2023 bonds exceeding debt service interest expenditures.

The capital projects fund's fund balance increased by $211,883, primarily due to net proceeds received from the sale of bonds and a bond anticipation note exceeding capital outlay expenditures, debt issuance costs and repayment of bond anticipation note principal and interest.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property taxes and services revenues and tap connection and inspection fees revenues and related expenditures being greater than anticipated. In addition, capital outlay expenditures incurred were not budgeted. The fund balance as of February 29, 2024, was expected to be $3,586,583 and the actual end-of-year fund balance was $3,890,091.

Capital Assets and Related Debt

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized as follows:

Capital Assets (Net of Accumulated Depreciation)

	2024	Restated 2023
Land and land improvements	$ 3,934,023	$ 3,105,154
Construction in progress	1,752,028	160,135
Water facilities	5,497,223	4,947,354
Wastewater facilities	9,962,244	8,587,456
Drainage facilities	21,618,073	17,357,069
Total capital assets	$ 42,763,591	$ 34,157,168

During the current year, additions to capital assets were as follows.

Construction in progress related to water plant No. 1, Phase 2 and wastewater treatment plant, Phase 2	$	1,629,743
Land additions including, 13.19-acre and 54.21-acre tracts to serve Davenport Parkway and 0.1246-acre tract to serve lift station No. 2		828,869
Water, wastewater and drainage facilities to serve Sierra Vista West, Sections 1-7, Crystal View Drive, Phases 2 and 3, Baird Boulevard, Phase 1 and Davenport Parkway, Phase 1		6,221,774
Lift station No.2 and force main		771,271
Drainage facilities to serve Sierra Vista West detention Phase 1, Meridiana Parkway, Phase 6 and Ames Boulevard, Phase 1		60,440
Total additions to capital assets	$	9,512,097

Developers within the District have paid capital recovery fees and constructed facilities on behalf of the District under the terms of contracts with the District. The District has agreed to reimburse capital recovery fees and constructed facilities from the proceeds of future bond issues subject to the approval of the Commission, as required. At February 29, 2024, a liability for capital recovery fees received and developer-constructed capital assets of $20,071,910 is recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended February 29, 2024, are summarized as follows:

Long-term debt payable, beginning of year	$	42,776,772
Increases in long-term debt		36,573,294
Decreases in long-term debt		(20,259,926)
Long-term debt payable, end of year	$	59,090,140

At February 29, 2024, the District had $296,426,000 of unlimited tax bonds authorized, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and for refunding such bonds; $35,133,000 of unlimited tax bonds authorized, but unissued, for the purpose of acquiring, constructing and improving recreational facilities and for refunding such bonds; and $89,270,000 of unlimited tax bonds authorized, but unissued, for the purpose of purchasing, constructing and maintaining roads and for refunding such bonds.

The Series 2021 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issue by Build America Mutual Assurance Company. The Road Series 2022 and Series 2023 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issue by Assured Guaranty Municipal Corp.

Other Relevant Factors

Relationship to the City of Iowa Colony

Under existing Texas law, since the District lies partially within the corporate boundaries and partially within the extraterritorial jurisdiction of the City of Iowa Colony (the City), the District must conform to the City ordinance consenting to the inclusion of land within the District.

Strategic Partnership Agreement

Effective January 10, 2022, the District entered into a Strategic Partnership Agreement (the Agreement) with the City whereby the City may annex any commercial portion of the District from time to time for the purpose of levy and collection of the City's sales and use taxes. The District would continue to exercise all the powers of a municipal utility district in the area of limited purpose annexation as provided by law. The City will keep all of the sales and use taxes collected under the Agreement. As of this date, no area has been so annexed. In addition, the Agreement provides for the provision of fire, police, garbage and building regulation within the District. The City agrees that it will not annex the District for full purposes until one of the following conditions has been satisfied: (i) 90% of the developable acreage in the District has been developed with water, sanitary sewer, drainage and paving, and the developer has been reimbursed to the maximum extent permitted by the rules of the Commission, or the City assumes any obligation for such reimbursement of the District under such rules, or (ii) 20 years from the date of the Agreement, whichever comes first.

Contingencies

Developers of the District are constructing facilities within the boundaries of the District. The District has agreed to reimburse the developers for these costs, plus interest, from the proceeds of future bond sales to the extent approved by the Commission, as required. The District's engineer has stated that current construction contract amounts are approximately $5,084,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Subsequent Event

On May 7, 2024, the District sold its Unlimited Tax Bonds, Series 2024 in the amount of $17,000,000 at a net effective interest rate of 4.246527%. The bonds were sold to reimburse the developers for facilities constructed within the District, capital recovery fees and repayment of the Series 2023 bond anticipation note.

Brazoria County Municipal Utility District No. 53
Statement of Net Position and Governmental Funds Balance Sheet
February 29, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 237,376	$ 741,698	$ 4,538	$ 983,612	$ -	$ 983,612
Short-term investments	3,369,065	1,654,753	249,073	5,272,891	-	5,272,891
Receivables:						
Property taxes	294,638	176,672	-	471,310	-	471,310
Service accounts	71,926	-	-	71,926	-	71,926
Accrued penalty and interest	-	-	-	-	34,800	34,800
Interfund receivables	413,896	-	-	413,896	(413,896)	-
Prepaid expenditures	275,627	-	-	275,627	-	275,627
Capital assets (net of accumulated depreciation):						
Land and land improvements	-	-	-	-	3,934,023	3,934,023
Construction in progress	-	-	-	-	1,752,028	1,752,028
Infrastructure	-	-	-	-	37,077,540	37,077,540
Total assets	$ 4,662,528	$ 2,573,123	$ 253,611	$ 7,489,262	$ 42,384,495	$ 49,873,757

Brazoria County Municipal Utility District No. 53
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
February 29, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 348,131	$ 18,209	$ 1,982	$ 368,322	$ -	$ 368,322
Accrued interest payable	-	-	-	-	757,831	757,831
Retainage payable	133,825	-	-	133,825	-	133,825
Customer deposits	105,200	-	-	105,200	-	105,200
Unearned tap connection fees	71,400	-	-	71,400	-	71,400
Interfund payables	-	413,534	362	413,896	(413,896)	-
Long-term liabilities:						
Due within one year	-	-	-	-	247,790	247,790
Due after one year	-	-	-	-	58,842,350	58,842,350
Total liabilities	658,556	431,743	2,344	1,092,643	59,434,075	60,526,718
Deferred Inflows of Resources						
Deferred property tax revenues	113,881	66,927	-	180,808	(180,808)	-
Fund Balances/Net Position						
Fund balances:						
Nonspendable, prepaid expenditures	275,627	-	-	275,627	(275,627)	-
Restricted:						
Unlimited tax bonds	-	1,725,990	-	1,725,990	(1,725,990)	-
Unlimited tax road bonds	-	348,463	-	348,463	(348,463)	-
Water, sewer and drainage	-	-	251,267	251,267	(251,267)	-
Unassigned fund balances	3,614,464	-	-	3,614,464	(3,614,464)	-
Total fund balances	3,890,091	2,074,453	251,267	6,215,811	(6,215,811)	-
Total liabilities, deferred inflows of resources and fund balances	$ 4,662,528	$ 2,573,123	$ 253,611	$ 7,489,262		
Net position:						
Net investment in capital assets					(4,399,923)	(4,399,923)
Restricted for debt service					1,104,426	1,104,426
Restricted for capital projects					20,101	20,101
Unrestricted					(7,377,565)	(7,377,565)
Total net position					$ (10,652,961)	$ (10,652,961)

Brazoria County Municipal Utility District No. 53
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
Year Ended February 29, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 2,271,358	$ 1,367,144	$ -	$ 3,638,502	$ 104,777	$ 3,743,279
Water service	293,874	-	-	293,874	-	293,874
Sewer service	448,035	-	-	448,035	-	448,035
Penalty and interest	17,376	11,036	-	28,412	23,042	51,454
Tap connection and inspection fees	1,932,787	-	-	1,932,787	-	1,932,787
Investment income	128,779	56,956	17,940	203,675	-	203,675
Other income	64,557	6,240	-	70,797	-	70,797
Total revenues	5,156,766	1,441,376	17,940	6,616,082	127,819	6,743,901
Expenditures/Expenses						
Service operations:						
Purchased services	41,706	-	-	41,706	(41,706)	-
Professional fees	197,744	2,207	-	199,951	231,630	431,581
Contracted services	385,023	35,951	-	420,974	4,402	425,376
Utilities	65,544	-	-	65,544	-	65,544
Repairs and maintenance	508,570	-	-	508,570	-	508,570
Other expenditures	165,677	2,769	230	168,676	-	168,676
Tap connections	341,705	-	-	341,705	-	341,705
Capital outlay	1,784,378	-	14,464,013	16,248,391	(16,248,391)	-
Conveyance of capital assets	-	-	-	-	6,401,997	6,401,997
Depreciation	-	-	-	-	905,674	905,674
Lease payments	425,005	-	-	425,005	(229,296)	195,709
Debt service:						
Principal retirement	-	-	9,885,000	9,885,000	(9,885,000)	-
Interest	-	769,246	197,692	966,938	501,071	1,468,009
Debt issuance costs	-	-	876,004	876,004	-	876,004
Total expenditures/expenses	3,915,352	810,173	25,422,939	30,148,464	(18,359,619)	11,788,845
Excess (Deficiency) of Revenues Over Expenditures	1,241,414	631,203	(25,404,999)	(23,532,382)	18,487,438	
Other Financing Sources (Uses)						
General obligation bonds issued	-	693,600	16,646,400	17,340,000	(17,340,000)	
Discount on debt issued	-	-	(519,518)	(519,518)	519,518	
Bond anticipation note issued	-	-	9,490,000	9,490,000	(9,490,000)	
Total other financing sources	-	693,600	25,616,882	26,310,482	(26,310,482)	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,241,414	1,324,803	211,883	2,778,100	(2,778,100)	
Change in Net Position					(5,044,944)	(5,044,944)
Fund Balances/Net Position						
Beginning of year, as previously reported	2,648,677	749,650	39,384	3,437,711	-	(908,131)
Adjustment applicable to prior years (Note 12)						(4,699,886)
Beginning of year, restated						(5,608,017)
End of year	$ 3,890,091	$ 2,074,453	$ 251,267	$ 6,215,811	$ -	$ (10,652,961)

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Brazoria County Municipal Utility District No. 53 (the District) was created by an order of the Texas Commission on Environmental Quality (the Commission), effective January 30, 2019, in accordance with Article XVI, Section 59, of the Texas Constitution and the Texas Water Code. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate water, sewer and drainage facilities and to provide such facilities to the landowners of the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-Wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Debt Service Fund —The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund—The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

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

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended February 29, 2024, include collections during the current period or within 60 days of year-end related to the 2023 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended February 29, 2024, the 2023 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of $5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45
Recreational facilities	15-30

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts on bonds during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

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

Reconciliation of Government-Wide and Fund Financial Statements

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$	42,763,591
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		180,808
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.		34,800
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.		(757,831)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.		(59,090,140)
Adjustment to fund balances to arrive at net position.	$	(16,868,772)

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	$	2,778,100
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded conveyance of capital assets, noncapitalized costs and depreciation expense in the current year.		8,704,688
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		519,518

Governmental funds report proceeds from the sale of bonds and bond anticipation notes because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.	$	(16,945,000)
Governmental funds report lease payments as expenditures as amounts are paid. However, for government-wide financial statements, the principal payment is recorded as a decrease in long-term liabilities.		229,296
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.		127,819
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(459,365)
Change in net position of governmental activities.	$	(5,044,944)

Note 2. Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At February 29, 2024, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and 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, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool. The District's investments in TexPool are reported at amortized cost.

At February 29, 2024, the District had the following investments and maturities:

		Maturities in Years			
Type	**Amortized Cost**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
TexPool	$ 5,272,891	$ 5,272,891	$ -	$ -	$ -

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At February 29, 2024, the District's investments in TexPool were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet and statement of net position captions at February 29, 2024, as follows:

Carrying value:	
Deposits	$ 983,612
Investments	5,272,891
Total	$ 6,256,503

Investment Income

Investment income of $203,675 for the year ended February 29, 2024, consisted of interest income.

Note 3. Capital Assets

A summary of changes in capital assets for the year ended February 29, 2024, is presented below:

Governmental Activities	**Balances, Beginning of Year, Restated**	**Additions**	**Reclassifi-cations**	**Balances, End of Year**
Capital assets, non-depreciable:				
Land and land improvements	$ 3,105,154	$ 828,869	$ -	$ 3,934,023
Construction in progress	160,135	1,629,743	(37,850)	1,752,028
Total capital assets, non-depreciable	3,265,289	2,458,612	(37,850)	5,686,051

Governmental Activities (Continued)	Balances, Beginning of Year, Restated	Additions	Reclassifi-cations	Balances, End of Year
Capital assets, depreciable:				
Water production and distribution facilities	$ 5,224,872	$ 705,815	$ -	$ 5,930,687
Wastewater collection and treatment facilities	8,996,862	1,575,045	37,850	10,609,757
Drainage facilities	18,147,181	4,772,625	-	22,919,806
Total capital assets, depreciable	32,368,915	7,053,485	37,850	39,460,250
Less accumulated depreciation:				
Water production and distribution facilities	(277,518)	(155,946)	-	(433,464)
Wastewater collection and treatment facilities	(409,406)	(238,107)	-	(647,513)
Drainage facilities	(790,112)	(511,621)	-	(1,301,733)
Total accumulated depreciation	(1,477,036)	(905,674)	-	(2,382,710)
Total governmental activities, net	$ 34,157,168	$ 8,606,423	$ -	$ 42,763,591

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended February 29, 2024, were as follows:

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:					
General obligation bonds	$ 10,620,000	$ 17,340,000	$ -	$ 27,960,000	$ -
Less discounts on bonds	314,513	519,518	13,119	820,912	-
	10,305,487	16,820,482	(13,119)	27,139,088	-
Bond anticipation notes	9,885,000	9,490,000	9,885,000	9,490,000	-
Capital lease payable	2,618,438	-	229,296	2,389,142	247,790
Due to developers	19,967,847	10,262,812	10,158,749	20,071,910	-
Total governmental activities long-term liabilities	$ 42,776,772	$ 36,573,294	$ 20,259,926	$ 59,090,140	$ 247,790

General Obligation Bonds

	Series 2021	Road Series 2022
Amounts outstanding, February 29, 2024	$5,440,000	$5,180,000
Interest rates	2.375% to 4.750%	4.00% to 6.50%
Maturity dates, serially beginning/ending	April 1, 2025/2050	April 1, 2025/2047
Interest payment dates	April 1/ October 1	April 1/ October 1
Callable dates*	April 1, 2027	April 1, 2027

	Series 2023
Amount outstanding, February 29, 2024	$17,340,000
Interest rates	4.00% to 6.50%
Maturity dates, serially beginning/ending	April 1, 2026/2048
Interest payment dates	April 1/ October 1
Callable date*	April 1, 2028

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at February 29, 2024.

Year	Principal	Interest	Total
2025	$ -	$ 1,167,806	$ 1,167,806
2026	260,000	1,160,787	1,420,787
2027	725,000	1,131,301	1,856,301
2028	775,000	1,084,956	1,859,956
2029	800,000	1,038,775	1,838,775
2030-2034	4,510,000	4,562,741	9,072,741
2035-2039	5,515,000	3,574,842	9,089,842
2040-2044	6,835,000	2,383,600	9,218,600
2045-2049	7,950,000	871,251	8,821,251
2050-2051	590,000	14,875	604,875
Total	$ 27,960,000	$ 16,990,934	$ 44,950,934

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation without limitation as to rate or amount.

Bonds voted:	
Water, sewer and drainage facilities and refunding	$ 319,206,000
Recreational facilities and refunding	35,133,000
Road and paving facilities and refunding	94,450,000
Bonds sold:	
Water, sewer and drainage facilities	$ 22,780,000
Road and paving facilities	5,180,000

Capital Lease

The District entered into an equipment lease agreement with General Plant Finance, LLC, on March 25, 2020. The equipment includes the wastewater treatment plant, Phase I, onsite lift station and offsite lift station (leased facilities). The agreement is for a term of 120 months commencing on the first day of the month following the substantial completion of the construction, installation and startup of the leased facilities. A down payment of 10% or $294,700 is due with 50% payable upon execution of the agreement and 50% payable upon mobilization of personnel and equipment of the Lessor's designated contractor. Payments of $35,417 are due each month. The District has the option to purchase the leased facilities at any time after the 60th month of the agreement at the lease buyout purchase price per the agreement schedule. Upon payment of either the final monthly lease payment or the buyout purchase price, the title to the leased facilities will be conveyed to the District. The assets under this capital lease at February 29, 2024, totaled $3,651,624, net of accumulated depreciation of $243,442. The following is a schedule by year of future minimum lease payments under the capital lease including interest at a rate of approximately 7.78% together with the present value of the future minimum lease payments as of February 29, 2024.

Year Ending February 28,	Amounts
2025	$ 425,005
2026	425,005
2027	425,005
2028	425,005
2029	425,005
2030 and thereafter	1,027,102
Total minimum lease payments	3,152,127
Less amount representing interest	(762,985)
Present value of future minimum lease payments	$ 2,389,142

The District entered into an equipment lease agreement with General Plant Finance, LLC, on July 17, 2023. The equipment includes the Phase II 0.200 MGD wastewater treatment plant (leased facility). The agreement is for a term of 120 months commencing on the first day of the month following the substantial completion of the construction, installation and startup of the leased facility. A down payment of 10% or $257,249 is due upon 30 days after mobilization of personnel and equipment by the Lessor's designated contractor at the project site. Payments of $40,173 are due each month. The District has the option to purchase the leased facilities at any time after the 60th month of the agreement at the lease buyout purchase price per the agreement schedule. Upon payment of either the final monthly lease payment or the buyout purchase price, the title to the leased facilities will be conveyed to the District. During the current year, the District made the down payment of $257,249, which is included in prepaid expenditures. As of February 29, 2024, the construction and installation of the leased facility was not substantially completed.

Due to Developers

Developers of the District have paid capital recovery fees and constructed facilities on behalf of the District under the terms of contracts with the District. The District has agreed to reimburse capital recovery fees and is maintaining and operating the constructed facilities and has agreed to reimburse the developers for these costs and interest to the extent approved by the Commission, as required, from the proceeds of future bond sales. At February 29, 2024, capital recovery fees received and the District's engineer's estimate of reimbursable costs for completed projects are $20,071,910. These amounts have been recorded in the financial statements as long-term liabilities.

Bond Anticipation Notes

On September 16, 2022, the District issued its Series 2022A Bond Anticipation Note in the amount of $9,885,000. The note is dated September 16, 2022, bears interest at the rate of 3.60% and matures September 16, 2023, unless called for early redemption. The note is a special limited obligation of the District and is payable solely from proceeds from the sale of bonds and, therefore, has been excluded from the current portion of long-term liabilities. During the current year, the note was redeemed with proceeds from the Series 2023 bonds.

On August 18, 2023, the District issued its Series 2023 Bond Anticipation Note in the amount of $9,490,000. The note is dated August 18, 2023, bears interest at the rate of 5.35% and matures August 18, 2024, unless called for early redemption. The note is a special limited obligation of the District and is payable solely from proceeds from the sale of bonds and, therefore, has been excluded from the current portion of long-term liabilities.

Note 5. Significant Bond Resolution and Commission Requirements

A. The Bond Resolutions require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on the bonds when due. During the year ended February 29, 2024, the District levied an ad valorem debt service tax at the rate of $0.380 per $100 of assessed valuation, which resulted in a tax levy of $1,056,861 on the taxable valuation of $278,121,220 for the 2023 tax year. The interest requirements to be paid from the tax revenues and available resources are $945,050.

B. The Road Bond Resolution requires that the District levy and collect an ad valorem road debt service tax sufficient to pay interest and principal on the road bonds when due. During the year ended February 29, 2024, the District levied an ad valorem road debt service tax at the rate of $0.130 per $100 of assessed valuation, which resulted in a tax levy of $361,557 on the taxable valuation of $278,121,220 for the 2023 tax year. The interest requirements to be paid from the road tax revenues and available resources are $222,756.

C. In accordance with the Road Series 2022 and Series 2023 Bond Resolutions, a portion of the bond proceeds were deposited into the debt service fund and reserved for the payment of bond interest during the construction period. This bond interest reserve is reduced as the interest is paid.

Bond interest reserve, beginning of year		$ 189,070
Additions--Interest appropriated from bond proceeds - Series 2023		693,600
Deductions--Appropriation from bond interest paid:		
Road Series 2022	$ 189,070	
Series 2023	379,677	568,747
Bond interest reserve, end of year		$ 313,923

Note 6. Maintenance Taxes

At an election held May 4, 2019, voters authorized a maintenance tax not to exceed $1.50 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended February 29, 2024, the District levied an ad valorem maintenance tax at the rate of $0.8400 per $100 of assessed valuation, which resulted in a tax levy of $2,336,218 on the taxable valuation of $278,121,220 for the 2023 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

At an election held May 4, 2019, voters authorized a road maintenance tax not to exceed $0.25 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended February 29, 2024, the District did not levy an ad valorem road maintenance tax for the 2023 tax year. The road maintenance tax will be used by the general fund to pay expenditures for maintenance of certain roads within the District.

Note 7. Drainage Channel Improvement Agreement

The District and Brazoria County Drainage District No. 5 (the Drainage District) entered into a Drainage Channel Improvement Agreement (the Agreement) on August 19, 2019, for the financing of improvements to a portion of the Drainage District's drainage facility known as North Hayes Creek to facilitate development of land within the

District. The District will pay the entire costs of design and construction of the improvements up to a maximum of $125,000. Upon completion of the improvements, the Drainage District shall be responsible for continued maintenance and operation of the facility. No payments have been made under the agreement as of February 29, 2024.

Note 8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 9. Contingencies

Developers of the District are constructing facilities within the boundaries of the District. The District has agreed to reimburse the developers for these costs, plus interest, from the proceeds of future bond sales to the extent approved by the Commission, as required. The District's engineer has stated that current construction contract amounts are approximately $5,084,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Note 10. Subsequent Event

On May 7, 2024, the District sold its Unlimited Tax Bonds, Series 2024 in the amount of $17,000,000 at a net effective interest rate of 4.246527%. The bonds were sold to reimburse the developers for facilities constructed within the District, capital recovery fees and repayment of the Series 2023 bond anticipation note.

Note 11. Strategic Partnership Agreement

Effective January 10, 2022, the District entered into a Strategic Partnership Agreement (the Agreement) with the City of Iowa Colony (the City) whereby the City may annex any commercial portion of the District from time to time for the purpose of levy and collection of the City's sales and use taxes. The District would continue to exercise all the powers of a municipal utility district in the area of limited purpose annexation as provided by law. The City will keep all of the sales and use taxes collected under the Agreement. As of this date, no area has been so annexed. In addition, the Agreement provides for the provision of fire, police, garbage and building regulation within the District. The City agrees that it will not annex the District for full purposes until one of the following conditions has been satisfied: (i) 90% of the developable acreage in the District has been developed with water, sanitary sewer, drainage and paving, and the developer has been reimbursed to the maximum extent permitted by the rules of the Commission, or the City assumes any obligation for such reimbursement of the District under such rules, or (ii) 20 years from the date of the Agreement, whichever comes first.

Note 12. Restatement of Prior Year Financial Statements

Beginning net position in the government-wide financial statements has been restated for a correction of an error of $4,699,886, due to road and paving facilities having been incorrectly included in the District's capital assets, when these facilities were conveyed to another governmental entity for maintenance. This restatement reduced previously reported ending net position in the February 28, 2023, financial statements by $4,699,886 and increased previously reported change in net position in the February 28, 2023, financial statements by $89,276.

Required Supplementary Information

Brazoria County Municipal Utility District No. 53
Budgetary Comparison Schedule – General Fund
Year Ended February 29, 2024

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 1,242,576	$ 1,242,576	$ 2,271,358	$ 1,028,782
Water service	193,000	193,000	293,874	100,874
Sewer service	240,000	240,000	448,035	208,035
Penalty and interest	12,000	12,000	17,376	5,376
Tap connection and inspection fees	1,127,090	1,127,090	1,932,787	805,697
Investment income	78,000	78,000	128,779	50,779
Other income	-	-	64,557	64,557
Total revenues	2,892,666	2,892,666	5,156,766	2,264,100
Expenditures				
Service operations:				
Purchased services	-	41,906	41,706	200
Professional fees	195,200	195,200	197,744	(2,544)
Contracted services	319,402	319,402	385,023	(65,621)
Utilities	60,000	60,000	65,544	(5,544)
Repairs and maintenance	533,087	533,087	508,570	24,517
Other expenditures	217,959	217,959	165,677	52,282
Tap connections	162,202	162,202	341,705	(179,503)
Capital outlay	-	-	1,784,378	(1,784,378)
Lease payments	425,004	425,004	425,005	(1)
Total expenditures	1,912,854	1,954,760	3,915,352	(1,960,592)
Excess of Revenues Over Expenditures	979,812	937,906	1,241,414	303,508
Fund Balance, Beginning of Year	2,648,677	2,648,677	2,648,677	-
Fund Balance, End of Year	$ 3,628,489	$ 3,586,583	$ 3,890,091	$ 303,508

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was amended during fiscal 2024.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule - General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Supplementary Information

(Schedules included are checked or explanatory notes provided for omitted schedules.)

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 13-25

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

[X] Schedule of Long-Term Debt Service Requirements by Years

[X] Changes in Long-Term Bonded Debt

[X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund

[X] Board Members, Key Personnel and Consultants

Brazoria County Municipal Utility District No. 53
Schedule of Services and Rates
Year Ended February 29, 2024

1. Services provided by the District:

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

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

2. Retail service providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels		
Water:	$ 17.25	5,000	N	$ 2.70	5,001	to	10,000
				$ 3.00	10,001	to	20,000
				$ 3.15	20,001	to	50,000
				$ 3.30	50,001	to	75,000
				$ 3.60	75,001	to	No Limit
Wastewater:	$ 37.94	5,000	N	$ 2.25	5,001	to	No Limit
Regional water fee:	$ 0	0	N				

Does the District employ winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage (including fees): Water $ 30.75 Wastewater $ 49.19

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	851	828	x1.0	828
1"	324	320	x2.5	800
1 1/2"	-	-	x5.0	-
2"	14	14	x8.0	112
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	1	1	x50.0	50
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	1,192	1,165		1,895
Total wastewater	1,177	1,150	x1.0	1,150

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	113,405
Gallons billed to customers:	110,764
Water accountability ratio (gallons billed/gallons pumped):	97.67%

*"ESFC" means equivalent single-family connections

Brazoria County Municipal Utility District No. 53
Schedule of General Fund Expenditures
Year Ended February 29, 2024

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 17,500	
Legal	139,875	
Engineering	39,169	
Financial advisor	1,200	197,744
Purchased Services for Resale		
Bulk water and wastewater service purchases		41,706
Regional Water Authority		-
Contracted Services		
Bookkeeping	31,225	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	129,285	160,510
Utilities		65,544
Repairs and Maintenance		508,570
Administrative Expenditures		
Directors' fees	11,761	
Office supplies	32,063	
Insurance	15,244	
Other administrative expenditures	106,609	165,677
Capital Outlay		
Capitalized assets	1,781,878	
Expenditures not capitalized	2,500	1,784,378
Tap Connection Expenditures		341,705
Solid Waste Disposal		224,513
Lease Payments		425,005
Parks and Recreation		-
Other Expenditures		-
Total expenditures		$ 3,915,352

Brazoria County Municipal Utility District No. 53
Schedule of Temporary Investments
February 29, 2024

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
TexPool	5.33%	Demand	$ 1,695,218	$ -
TexPool	5.33%	Demand	1,673,847	-
			3,369,065	-
Debt Service Fund				
TexPool	5.33%	Demand	1,306,290	-
TexPool	5.33%	Demand	348,463	-
			1,654,753	-
Capital Projects Fund				
TexPool	5.33%	Demand	64,848	-
TexPool	5.33%	Demand	184,225	-
			249,073	-
Totals			$ 5,272,891	$ -

Brazoria County Municipal Utility District No. 53
Analysis of Taxes Levied and Receivable
Year Ended February 29, 2024

	Maintenance Taxes	Debt Service Taxes	Road Debt Service Taxes
Receivable, Beginning of Year	$ 57,518	$ 18,513	$ -
Additions and corrections to prior years' taxes	(8,497)	(2,860)	-
Adjusted receivable, beginning of year	49,021	15,653	-
2023 Original Tax Levy	2,310,901	1,045,408	357,639
Additions and corrections	25,317	11,453	3,918
Adjusted tax levy	2,336,218	1,056,861	361,557
Total to be accounted for	2,385,239	1,072,514	361,557
Tax collections: Current year	(2,048,931)	(926,897)	(317,096)
Prior years	(41,670)	(13,406)	-
Receivable, end of year	$ 294,638	$ 132,211	$ 44,461
Receivable, by Year			
2023	$ 287,287	$ 129,964	$ 44,461
2022	6,675	2,247	-
2021	676	-	-
Receivable, end of year	$ 294,638	$ 132,211	$ 44,461

Brazoria County Municipal Utility District No. 53
Analysis of Taxes Levied and Receivable (Continued)
Year Ended February 29, 2024

	2023	2022	2021	2020
Property Valuations				
Land	$ 78,152,580	$ 52,557,263	$ 18,655,750	$ 8,325,290
Improvements	246,441,948	82,646,963	8,069,750	-
Personal property	398,370	54,050	10,480	-
Exemptions	(46,871,678)	(5,116,303)	(291,835)	(30,834)
Total property valuations	$ 278,121,220	$ 130,141,973	$ 26,444,145	$ 8,294,456
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.380	$ 0.340	$ -	$ -
Road debt service tax rates	0.130	-	-	-
Maintenance tax rates*	0.840	1.010	1.350	1.350
Total tax rates per $100 valuation	$ 1.350	$ 1.350	$ 1.350	$ 1.350
Tax Levy	$ 3,754,636	$ 1,756,916	$ 356,996	$ 111,975
Percent of Taxes Collected to Taxes Levied**	95%	99%	99%	100%

*Maximum tax rate approved by voters: $1.50 on May 4, 2019

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

Brazoria County Municipal Utility District No. 53
Schedule of Long-Term Debt Service Requirements by Years
February 29, 2024

	Series 2021		
Due During Fiscal Years Ending February 28	**Principal Due April 1**	**Interest Due April 1, October 1**	**Total**
2025	$ -	$ 164,000	$ 164,000
2026	125,000	161,031	286,031
2027	125,000	155,094	280,094
2028	150,000	148,562	298,562
2029	150,000	142,656	292,656
2030	150,000	138,062	288,062
2031	150,000	133,563	283,563
2032	150,000	129,062	279,062
2033	175,000	124,188	299,188
2034	175,000	118,937	293,937
2035	175,000	113,688	288,688
2036	175,000	108,437	283,437
2037	200,000	102,813	302,813
2038	200,000	96,812	296,812
2039	200,000	90,813	290,813
2040	225,000	84,437	309,437
2041	225,000	77,688	302,688
2042	250,000	70,562	320,562
2043	250,000	63,063	313,063
2044	250,000	55,562	305,562
2045	250,000	48,063	298,063
2046	275,000	40,187	315,187
2047	275,000	31,938	306,938
2048	275,000	24,547	299,547
2049	275,000	18,016	293,016
2050	290,000	11,125	301,125
2051	300,000	3,750	303,750
Totals	$ 5,440,000	$ 2,456,656	$ 7,896,656

Brazoria County Municipal Utility District No. 53
Schedule of Long-Term Debt Service Requirements by Years (Continued)
February 29, 2024

	Road Series 2022		
Due During Fiscal Years Ending February 28	Principal Due April 1	Interest Due April 1, October 1	Total
2025	$ -	$ 222,756	$ 222,756
2026	135,000	218,706	353,706
2027	145,000	209,944	354,944
2028	150,000	200,356	350,356
2029	155,000	191,606	346,606
2030	160,000	183,731	343,731
2031	170,000	176,331	346,331
2032	175,000	169,431	344,431
2033	185,000	162,231	347,231
2034	190,000	154,731	344,731
2035	200,000	146,931	346,931
2036	210,000	138,731	348,731
2037	215,000	130,231	345,231
2038	225,000	121,431	346,431
2039	235,000	112,231	347,231
2040	245,000	102,631	347,631
2041	255,000	92,631	347,631
2042	265,000	82,231	347,231
2043	280,000	71,157	351,157
2044	290,000	59,401	349,401
2045	305,000	47,129	352,129
2046	315,000	34,341	349,341
2047	330,000	21,038	351,038
2048	345,000	7,116	352,116
Totals	$ 5,180,000	$ 3,057,053	$ 8,237,053

Brazoria County Municipal Utility District No. 53
Schedule of Long-Term Debt Service Requirements by Years (Continued)
February 29, 2024

	Series 2023		
Due During Fiscal Years Ending February 28	**Principal Due April 1**	**Interest Due April 1, October 1**	**Total**
2025	$ -	$ 781,050	$ 781,050
2026	-	781,050	781,050
2027	455,000	766,263	1,221,263
2028	475,000	736,038	1,211,038
2029	495,000	704,513	1,199,513
2030	520,000	671,525	1,191,525
2031	540,000	640,450	1,180,450
2032	565,000	612,149	1,177,149
2033	590,000	586,225	1,176,225
2034	615,000	562,125	1,177,125
2035	640,000	537,025	1,177,025
2036	665,000	510,925	1,175,925
2037	695,000	483,724	1,178,724
2038	725,000	455,325	1,180,325
2039	755,000	425,725	1,180,725
2040	790,000	394,826	1,184,826
2041	820,000	362,112	1,182,112
2042	860,000	326,925	1,186,925
2043	895,000	289,631	1,184,631
2044	935,000	250,743	1,185,743
2045	975,000	210,157	1,185,157
2046	1,015,000	167,235	1,182,235
2047	1,060,000	121,844	1,181,844
2048	1,105,000	74,484	1,179,484
2049	1,150,000	25,156	1,175,156
Totals	$ 17,340,000	$ 11,477,225	$ 28,817,225

Brazoria County Municipal Utility District No. 53
Schedule of Long-Term Debt Service Requirements by Years (Continued)
February 29, 2024

	Annual Requirements For All Series		
Due During Fiscal Years Ending February 28	**Total Principal Due**	**Total Interest Due**	**Total Principal and Interest Due**
2025	$ -	$ 1,167,806	$ 1,167,806
2026	260,000	1,160,787	1,420,787
2027	725,000	1,131,301	1,856,301
2028	775,000	1,084,956	1,859,956
2029	800,000	1,038,775	1,838,775
2030	830,000	993,318	1,823,318
2031	860,000	950,344	1,810,344
2032	890,000	910,642	1,800,642
2033	950,000	872,644	1,822,644
2034	980,000	835,793	1,815,793
2035	1,015,000	797,644	1,812,644
2036	1,050,000	758,093	1,808,093
2037	1,110,000	716,768	1,826,768
2038	1,150,000	673,568	1,823,568
2039	1,190,000	628,769	1,818,769
2040	1,260,000	581,894	1,841,894
2041	1,300,000	532,431	1,832,431
2042	1,375,000	479,718	1,854,718
2043	1,425,000	423,851	1,848,851
2044	1,475,000	365,706	1,840,706
2045	1,530,000	305,349	1,835,349
2046	1,605,000	241,763	1,846,763
2047	1,665,000	174,820	1,839,820
2048	1,725,000	106,147	1,831,147
2049	1,425,000	43,172	1,468,172
2050	290,000	11,125	301,125
2051	300,000	3,750	303,750
Totals	$ 27,960,000	$ 16,990,934	$ 44,950,934

Brazoria County Municipal Utility District No. 53
Changes in Long-Term Bonded Debt
Year Ended February 29, 2024

	Bond Issues			
	Series 2021	**Road Series 2022**	**Series 2023**	**Totals**
Interest rates	2.375% to 4.750%	4.00% to 6.50%	4.00% to 6.50%	
Dates interest payable	April 1/ October 1	April 1/ October 1	April 1/ October 1	
Maturity dates	April 1, 2025/2050	April 1, 2025/2047	April 1, 2026/2048	
Bonds outstanding, beginning of current year	$ 5,440,000	$ 5,180,000	$ -	$ 10,620,000
Bonds sold during current year	-	-	17,340,000	17,340,000
Retirements, principal	-	-	-	-
Bonds outstanding, end of current year	$ 5,440,000	$ 5,180,000	$ 17,340,000	$ 27,960,000
Interest paid during current year	$ 164,000	$ 241,319	$ 390,525	$ 795,844

Paying agent's name and address:

Series 2021 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Road Series 2022 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2023 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:	**Tax and Refunding Bonds**	**Recreational and Refunding Bonds**	**Road and Refunding Bonds**
Amount authorized by voters	$ 319,206,000	$ 35,133,000	$ 94,450,000
Amount of authorization issued	$ 22,780,000	$ -	$ 5,180,000
Remaining authorization to be issued	$ 296,426,000	$ 35,133,000	$ 89,270,000

Debt service fund cash and temporary investment balances as of February 29, 2024: $ 2,396,451

Average annual debt service payment (principal and interest) for remaining term of all debt: $ 1,664,849

Brazoria County Municipal Utility District No. 53
Comparative Schedule of Revenues and Expenditures – General Fund
Year Ended February 29, 2024, Three Years Ended February 28, 2023,
2022 and 2021 and Year Ended February 29, 2020

	Amounts				
	2024	2023	2022	2021	2020
General Fund					
Revenues					
Property taxes	$ 2,271,358	$ 1,334,867	$ 298,649	$ 113,226	$ 8,245
Water service	293,874	214,607	76,828	5,414	100
Sewer service	448,035	277,684	82,454	6,921	-
Penalty and interest	17,376	15,157	6,102	416	-
Tap connection and inspection fees	1,932,787	2,316,272	1,525,138	501,483	22,650
Investment income	128,779	57,172	292	534	23
Other income	64,557	42,315	10,549	580	-
Total revenues	5,156,766	4,258,074	2,000,012	628,574	31,018
Expenditures					
Service operations:					
Purchased services	41,706	-	-	-	-
Professional fees	197,744	172,578	142,585	136,566	31,848
Contracted services	385,023	263,079	140,509	32,748	9,870
Utilities	65,544	46,966	23,576	3,750	-
Repairs and maintenance	508,570	516,313	372,360	76,920	202
Other expenditures	165,677	182,186	115,081	39,736	19,562
Tap connections	341,705	485,348	326,807	84,788	3,500
Capital outlay	1,784,378	425,015	94,793	1,099,701	6,575
Lease payments	425,005	425,005	247,919	-	-
Debt service, debt issuance costs	-	-	-	15,161	-
Total expenditures	3,915,352	2,516,490	1,463,630	1,489,370	71,557
Excess (Deficiency) of Revenues Over Expenditures	1,241,414	1,741,584	536,382	(860,796)	(40,539)
Other Financing Sources (Uses)					
Interfund transfers out	-	(141,354)	-	-	-
Developer advances received	-	-	-	29,500	78,400
Capital recovery fees	-	-	-	1,070,300	235,200
Total other financing sources (uses)	-	(141,354)	-	1,099,800	313,600
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,241,414	1,600,230	536,382	239,004	273,061
Fund Balance, Beginning of Year	2,648,677	1,048,447	512,065	273,061	-
Fund Balance, End of Year	$ 3,890,091	$ 2,648,677	$ 1,048,447	$ 512,065	$ 273,061
Total Active Retail Water Connections	1,165	971	510	129	6
Total Active Retail Wastewater Connections	1,150	956	502	128	5

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
44.1 %	31.4 %	14.9 %	18.0 %	26.6 %
5.7	5.0	3.9	0.8	0.3
8.7	6.5	4.1	1.1	-
0.3	0.4	0.3	0.1	-
37.5	54.4	76.3	79.8	73.0
2.5	1.3	0.0	0.1	0.1
1.2	1.0	0.5	0.1	-
100.0	100.0	100.0	100.0	100.0
0.8	-	-	-	-
3.8	4.0	7.1	21.7	102.7
7.51	6.2	7.0	5.2	31.8
1.3	1.1	1.2	0.6	-
9.9	12.1	18.6	12.2	0.6
3.2	4.3	5.8	6.3	63.1
6.6	11.4	16.3	13.5	11.3
34.6	10.0	4.8	175.0	21.2
8.2	10.0	12.4	-	-
-	-	-	2.4	-
75.9	59.1	73.2	236.9	230.7
24.1 %	40.9 %	26.8 %	(136.9) %	(130.7) %

Brazoria County Municipal Utility District No. 53
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Year Ended February 29, 2024 and Two Years Ended February 28, 2023 and 2022

	Amounts		
	2024	**2023**	**2022**
Debt Service Fund			
Revenues			
Property taxes	$ 1,367,144	$ 423,969	$ -
Penalty and interest	11,036	13,244	-
Investment income	56,956	8,528	17
Other income	6,240	943	-
Total revenues	1,441,376	446,684	17
Expenditures			
Current:			
Professional fees	2,207	2,500	-
Contracted services	35,951	17,220	-
Other expenditures	2,769	2,482	-
Debt service:			
Interest and fees	769,246	137,873	-
Total expenditures	810,173	160,075	-
Excess of Revenues Over Expenditures	631,203	286,609	17
Other Financing Sources			
Interfund transfers in	-	141,354	-
General obligation bonds issued	693,600	189,070	132,600
Total other financing sources	693,600	330,424	132,600
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,324,803	617,033	132,617
Fund Balance, Beginning of Year	749,650	132,617	-
Fund Balance, End of Year	$ 2,074,453	$ 749,650	$ 132,617

Percent of Fund Total Revenues		
2024	2023	2022
94.9 %	94.9 %	- %
0.8	3.0	-
3.9	1.9	100.0
0.4	0.2	-
100.0	100.0	100.0
0.1	0.6	-
2.5	3.9	-
0.2	0.5	-
53.4	30.9	-
56.2	35.9	-
43.8 %	64.1 %	100.0 %

Brazoria County Municipal Utility District No. 53
Board Members, Key Personnel and Consultants
Year Ended February 29, 2024

Complete District mailing address:	Brazoria County Municipal Utility District No. 53 Allen Boone Humphries Robinson LLP 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):		May 24, 2024
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Robert Serrett	Elected 05/20-05/24	$ 2,589	$ 623	President
Richard Boehck	Elected 05/22-05/26	2,368	374	Vice President
Debbie Wang Romero	Elected 05/20-05/24	3,252	2,444	Secretary
Andrew Bowman	Elected 05/22-05/26	2,147	316	Assistant Vice President
Donna Jones	Elected 05/22-05/26	1,405	310	Assistant Secretary

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

Brazoria County Municipal Utility District No. 53
Board Members, Key Personnel and Consultants (Continued)
Year Ended February 29, 2024

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Allen Boone Humphries Robinson LLP	02/07/19	$ 130,309 384,609	General Counsel Bond Counsel
Assessments of the Southwest, Inc.	07/12/19	18,253	Tax Assessor/ Collector
Brazoria County Appraisal District	Legislative Action	17,698	Appraiser
Elevation Land Solutions	05/07/19	295,095	Engineer
FORVIS, LLP	06/12/20	30,600	Auditor
The GMS Group, L.L.C.	07/12/19	349,630	Financial Advisor
McLennan & Associates, LP	05/07/19	40,156	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	01/10/20	-	Delinquent Tax Attorney
Si Environmental, LLC	07/12/19	881,363	Operator

Investment Officer			
Jorge Diaz	05/07/19	N/A	Bookkeeper

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

(To be included in the Final Official Statement)