

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

BRAZORIA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MAY 31, 2023

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

BRAZORIA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MAY 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Brazoria County Municipal Utility District No. 44
Brazoria County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Brazoria County Municipal Utility District No. 44 (the "District") as of and for the year May 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of May 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Brazoria County Municipal Utility District No. 44

Supplementary Information

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



McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

September 21, 2023

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2023**

Management’s discussion and analysis of the financial performance of Brazoria County Municipal Utility District No. 44 (the “District”) provides an overview of the District’s financial activities for the year ended May 31, 2023.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund type. The General Fund accounts for service revenues, maintenance tax revenues, operating costs, and administrative expenditures.

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2023**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by \$12,666,160 as of May 31, 2023. A portion of the District's net position reflects its net investment in capital assets which includes the water, wastewater and detention facilities less any debt used to acquire those assets that is still outstanding.

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table summarizes the Statement of Net Position for the years ended May 31, 2023, and May 31, 2022.

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2023</u>	<u>2022</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 358,833	\$ 108,825	\$ 250,008
Capital Assets (Net of Accumulated Depreciation)	<u>8,966,705</u>	<u>5,851,526</u>	<u>3,115,179</u>
Total Assets	<u>\$ 9,325,538</u>	<u>\$ 5,960,351</u>	<u>\$ 3,365,187</u>
Due to Developer	\$ 21,844,446	\$ 9,495,553	\$ (12,348,893)
Other Liabilities	<u>147,252</u>	<u>88,075</u>	<u>(59,177)</u>
Total Liabilities	<u>\$ 21,991,698</u>	<u>\$ 9,583,628</u>	<u>\$ (12,408,070)</u>
Net Position:			
Net Investment in Capital Assets	\$ (12,370,596)	\$ (3,179,882)	\$ (9,190,714)
Unrestricted	<u>(295,564)</u>	<u>(443,395)</u>	<u>147,831</u>
Total Net Position	<u>\$ (12,666,160)</u>	<u>\$ (3,623,277)</u>	<u>\$ (9,042,883)</u>

The following table summarizes the District's operations for the years ended May 31, 2023, and May 31, 2022.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2023</u>	<u>2022</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 68,019	\$ 34,631	\$ 33,388
Charges for Services	535,761	115,984	419,777
Other Revenues	<u>433</u>	<u>263</u>	<u>170</u>
Total Revenues	<u>\$ 604,213</u>	<u>\$ 150,878</u>	<u>\$ 453,335</u>
Expenses for Services	<u>9,647,096</u>	<u>3,446,713</u>	<u>(6,200,383)</u>
Change in Net Position	\$ (9,042,883)	\$ (3,295,835)	\$ (5,747,048)
Net Position, Beginning of Year	<u>(3,623,277)</u>	<u>(327,442)</u>	<u>(3,295,835)</u>
Net Position, End of Year	<u>\$ (12,666,160)</u>	<u>\$ (3,623,277)</u>	<u>\$ (9,042,883)</u>

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's General Fund fund balance as of May 31, 2023, was \$211,581, an increase of \$190,831 from the prior year. This increase was primarily due to property tax revenues and service revenues exceeding operating and administrative costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues were \$131,138 more than budgeted revenues, actual expenditures were \$577,068 less than budgeted expenditures, and Developer advances were \$517,375 less than budgeted. This resulted in a positive budget variance of \$190,831. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of May 31, 2023, total \$8,966,705 (net of accumulated depreciation) and include the water, wastewater and detention systems.

Capital Assets At Year-End			
	2023	2022	Change Positive (Negative)
Capital Assets Subject to Depreciation:			
Water System	\$ 1,606,338	\$ 465,810	\$ 1,140,528
Wastewater System	3,068,815	897,767	2,171,048
Detention System	4,587,589	4,587,589	
Less Accumulated Depreciation	(296,037)	(99,640)	(196,397)
Total Net Capital Assets	\$ 8,966,705	\$ 5,851,526	\$ 3,115,179

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Brazoria County Municipal Utility District No. 44, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
MAY 31, 2023

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 305,953	\$	\$ 305,953
Receivables:			
Service Accounts	50,960		50,960
Other	1,920		1,920
Capital Assets (Net of Accumulated Depreciation)		8,966,705	8,966,705
TOTAL ASSETS	\$ 358,833	\$ 8,966,705	\$ 9,325,538
 LIABILITIES			
Accounts Payable	\$ 146,667	\$	\$ 146,667
Due to Developer		21,844,446	21,844,446
Security Deposits	585		585
TOTAL LIABILITIES	\$ 147,252	\$ 21,844,446	\$ 21,991,698
 FUND BALANCE			
Unassigned	\$ 211,581	\$ (211,581)	\$ -0-
 TOTAL LIABILITIES AND FUND BALANCE	\$ 358,833		
 NET POSITION			
Net Investment in Capital Assets		\$ (12,370,596)	\$ (12,370,596)
Unrestricted		(295,564)	(295,564)
TOTAL NET POSITION		\$ (12,666,160)	\$ (12,666,160)

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MAY 31, 2023

Total Fund Balance - Governmental Fund	\$ 211,581
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	8,966,705
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:	
Due to Developer	<u>(21,844,446)</u>
Total Net Position - Governmental Activities	<u>\$ (12,666,160)</u>

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MAY 31, 2023

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 68,019	\$	\$ 68,019
Water Service	180,014		180,014
Wastewater Service	151,457		151,457
Penalty and Interest	5,051		5,051
Tap Connection and Inspection Fees	199,239		199,239
Investment and Miscellaneous Revenues	433		433
TOTAL REVENUES	\$ 604,213	\$ -0-	\$ 604,213
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	\$ 104,849	\$	\$ 104,849
Contracted Services	36,843		36,843
Purchased Services	85,339		85,339
Repairs and Maintenance	72,200		72,200
Depreciation		196,397	196,397
Other	157,151		157,151
Conveyance of Assets		8,994,317	8,994,317
TOTAL EXPENDITURES/EXPENSES	\$ 456,382	\$ 9,190,714	\$ 9,647,096
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	\$ 147,831	\$ (9,190,714)	\$ (9,042,883)
OTHER FINANCING SOURCES (USES)			
Developer Advances	\$ 43,000	\$ (43,000)	\$ -0-
NET CHANGE IN FUND BALANCE	\$ 190,831	\$ (190,831)	\$
CHANGE IN NET POSITION		(9,042,883)	(9,042,883)
FUND BALANCE/NET POSITION - JUNE 1, 2022	20,750	(3,644,027)	(3,623,277)
FUND BALANCE/NET POSITION - MAY 31, 2023	\$ 211,581	\$ (12,877,741)	\$ (12,666,160)

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

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2023**

Net Change in Fund Balance - Governmental Fund	\$	190,831
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds do not account for depreciation. However, depreciation expense is recorded in the Statement of Activities.		(196,397)
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Assets conveyed to other governmental entities are recorded as expenses in the Statement of Activities.		(8,994,317)
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Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances are recorded as a liability.		(43,000)
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Change in Net Position - Governmental Activities	\$	<u>(9,042,883)</u>
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The accompanying notes to the financial statements are an integral part of this report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 1. CREATION OF DISTRICT

Brazoria County Municipal Utility District No. 44 (the “District”) was organized, created and established pursuant to Senate Bill No. 1871 in the 79th Regular Session of the Texas Legislature, codified as Chapter 8153, Special District Local Laws Code in accordance with Article XVI, Section 59 of the Texas Constitution effective September 1, 2005. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants, and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, roads, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The Board of Directors held its organizational meeting on December 19, 2006.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense.

Fund Financial Statements

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund

The District has one governmental fund and considers it to be a major fund.

General Fund - To account for customer service revenues, maintenance tax revenues, operating costs, and administrative expenditures.

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

Capital Assets

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Utilities infrastructure and detention ponds owned by the District are capitalized if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over estimated useful lives ranging from 10 to 45 years.

Roads and storm sewer infrastructure constructed by the District are conveyed to Brazoria County for ownership and maintenance. The District conveyed infrastructure totaling \$8,994,317 during the current fiscal year.

Budgeting

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

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that directors are considered to be "employees" for federal payroll tax purposes only.

Measurement Focus

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

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund balances in governmental funds are classified using the following hierarchy:

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

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District’s deposits was \$305,953 and the bank balance was \$304,464. The District was not exposed to custodial credit risk at year end.

The carrying values of the deposits are included in the Governmental Fund Balance Sheet and the Statement of Net Position at May 31, 2023, as listed below:

	Cash
GENERAL FUND	\$ 305,953

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors. Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 4. BONDS VOTED

The District has authorized but unissued bonds in the amount of \$66,700,000 for the purchase or construction of water, sewer, and drainage facilities and the refunding for same, \$32,000,000 for the purchase or construction of road facilities and the refunding for same, \$32,500,000 for recreational facilities, and \$16,250,000 for refunding recreational facilities bonds. The District anticipates issuing Series 2023 Road Bonds in the fourth quarter of 2023.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the current fiscal year is summarized in the following table:

	June 1, 2022	Increases	Decreases	May 31, 2023
Capital Assets Subject to Depreciation				
Water System	\$ 465,810	\$ 1,140,528	\$	\$ 1,606,338
Wastewater System	897,767	2,171,048	\$	3,068,815
Detention System	<u>4,587,589</u>	<u></u>	<u></u>	<u>4,587,589</u>
Total Capital Assets Subject to Depreciation	<u>\$ 5,951,166</u>	<u>\$ 3,311,576</u>	<u>\$ -0-</u>	<u>\$ 9,262,742</u>
Accumulated Depreciation				
Water System	\$ 4,163	\$ 31,620	\$	\$ 35,783
Wastewater System	8,439	62,831	\$	71,270
Detention System	87,038	101,946	\$	188,984
Total Accumulated Depreciation	<u>\$ 99,640</u>	<u>\$ 196,397</u>	<u>\$ -0-</u>	<u>\$ 296,037</u>
Total Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 5,851,526</u></u>	<u><u>\$ 3,115,179</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 8,966,705</u></u>

NOTE 6. MAINTENANCE TAX

On May 12, 2007 and May 7, 2022, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's facilities as well as any other lawfully authorized purpose. During the year ended May 31, 2023, the District levied an ad valorem maintenance tax rate of \$1.00 per \$100 of assessed valuation, which resulted in a tax levy of \$68,019 on the adjusted taxable valuation of \$6,801,940 for the 2022 tax year.

On May 7, 2022, the voters of the District approved the levy and collection of a road maintenance tax not to exceed \$0.25 per \$100 of assessed valuation of taxable property within the District which are to be used to maintain the District's roads. The District did not levy an ad valorem road maintenance tax during the current fiscal year.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 7. WATER SUPPLY AND WASTEWATER SERVICE AGREEMENT

On October 20, 2020, the District entered into a wholesale water supply and wastewater service contract (the “Agreement”) with Metro Water Systems, Inc. (“Metro”) and Wan Bridge Land LLC. The Agreement was amended on April 21, 2022. The Agreement outlines how the parties will participate in the construction, ownership, and maintenance of a water and wastewater system to ultimately serve up to 1,068 living unit equivalents (“LUES”) at a rate of 350 gallons per day per LUE for water and 300 gallons per day per LUE for wastewater. The water rate is \$5.78 per 1,000 gallons and the wastewater rate is \$47.37 per LUE. The 2nd Amendment approved August 2023, subsequent to year end, increased these rates. Metro will be responsible for constructing, owning and operating the required water and wastewater plants. The District will be responsible for constructing and maintaining the internal water and wastewater lines within the District. The term of the Agreement is 50 years beginning October 20, 2020, and will be automatically extended for additional 50 years terms thereafter unless either party gives written notice of cancellation to the other party no later than one year prior to the termination date.

NOTE 8. UNREIMBURSED DEVELOPER COSTS

The District has executed financing agreements which call for the developer to fund costs associated with the construction of utilities and road infrastructure as well as operating advances. Reimbursement to the developers will come from future bond sales. The following table summarizes the current year activity related to unreimbursed developer costs for completed projects and operating advances:

Due to Developer, beginning of year	\$ 9,495,553
Additions	<u>12,348,893</u>
Due to Developer, end of year	<u>\$ 21,844,446</u>

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide general liability, automobile, and errors and omissions coverage. The District, along with other participating entities, contributes annual amounts determined by TML’s management. As claims arise, they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

REQUIRED SUPPLEMENTARY INFORMATION

MAY 31, 2023

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 80,000	\$ 68,019	\$ (11,981)
Water and Wastewater Service	230,000	331,471	101,471
Penalty and Interest	1,000	5,051	4,051
Tap Connection and Inspection Fees	162,075	199,239	37,164
Investment and Miscellaneous Revenues	<u> </u>	<u>433</u>	<u>433</u>
TOTAL REVENUES	<u>\$ 473,075</u>	<u>\$ 604,213</u>	<u>\$ 131,138</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 173,000	\$ 104,849	\$ 68,151
Contracted Services	18,000	36,843	(18,843)
Purchased Services	570,000	85,339	484,661
Repairs and Maintenance	62,000	72,200	(10,200)
Other	<u>210,450</u>	<u>157,151</u>	<u>53,299</u>
TOTAL EXPENDITURES	<u>\$ 1,033,450</u>	<u>\$ 456,382</u>	<u>\$ 577,068</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (560,375)</u>	<u>\$ 147,831</u>	<u>\$ 708,206</u>
OTHER FINANCING SOURCES(USES)			
Developer Advances	<u>\$ 560,375</u>	<u>\$ 43,000</u>	<u>\$ (517,375)</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ 190,831	\$ 190,831
FUND BALANCE - JUNE 1, 2022	<u>20,750</u>	<u>20,750</u>	<u> </u>
FUND BALANCE - MAY 31, 2023	<u>\$ 20,750</u>	<u>\$ 211,581</u>	<u>\$ 190,831</u>

See accompanying independent auditor's report.

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BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

MAY 31, 2023

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2023**

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

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 3/4" METER (OR EQUIVALENT):

The following rates are based on the rate order effective January 19, 2023.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 55.00	N/A	N	\$ 6.00	0,001 and up
WASTEWATER:	\$ 54.00	N/A	Y		

SURCHARGE:

Groundwater Reduction Fees \$0.03 per each 1,000 gallons

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

Total monthly charges per 10,000 gallons usage: Water: \$115.00 Wastewater: \$54.00 Surcharge: \$0.30

See accompanying independent auditor's report.

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2023**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	_____	_____	x 1.0	_____
≤ ³ / ₄ "	<u>271</u>	<u>271</u>	x 1.0	<u>271</u>
1"	_____	_____	x 2.5	_____
1½"	_____	_____	x 5.0	_____
2"	_____	_____	x 8.0	_____
3"	_____	_____	x 15.0	_____
4"	_____	_____	x 25.0	_____
6"	_____	_____	x 50.0	_____
8"	_____	_____	x 80.0	_____
10"	_____	_____	x 115.0	_____
Total Water Connections	<u>271</u>	<u>271</u>		<u>271</u>
Total Wastewater Connections	<u>271</u>	<u>271</u>	x 1.0	<u>271</u>

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

Gallons billed to customers:	6,416,000	Water Accountability Ratio: 100% (Gallons billed/Gallons purchased)
Gallons purchased:	6,416,000	From: Metro Water Systems, Inc.

See accompanying independent auditor's report.

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2023**

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

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Brazoria County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely Partly Not at all

ETJ in which District is Located

Village of Bonney, Texas

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MAY 31, 2023

PROFESSIONAL FEES:	
Auditing	\$ 8,250
Engineering	7,317
Legal	<u>89,282</u>
TOTAL PROFESSIONAL FEES	<u>\$ 104,849</u>
PURCHASED SERVICES	<u>\$ 85,339</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 5,444
Operations and Billing	20,363
Tax Collection Costs	<u>11,036</u>
TOTAL CONTRACTED SERVICES	<u>\$ 36,843</u>
REPAIRS AND MAINTENANCE	<u>\$ 72,200</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 6,021
Insurance	3,412
Meetings, Bank Service Charges, and Other	<u>2,240</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 11,673</u>
OTHER EXPENDITURES:	
Chemicals	\$ 2,020
Connection and Inspection Fees	142,925
TCEQ Regulatory Assessment	<u>533</u>
TOTAL OTHER EXPENDITURES	<u>\$ 145,478</u>
TOTAL EXPENDITURES	<u>\$ 456,382</u>

See accompanying independent auditor's report.

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2023**

	Maintenance Taxes	
TAXES RECEIVABLE -		
JUNE 1, 2022	\$ -0-	
Adjustments to Beginning		
Balance	_____	\$ -0-
Original 2022 Tax Levy	\$ 68,019	
Adjustment to 2022 Tax Levy	_____	68,019
TOTAL TO BE		
ACCOUNTED FOR		\$ 68,019
 TAX COLLECTIONS:		
Prior Years	\$ -0-	
Current Year	_____	68,019
 TAXES RECEIVABLE -		
MAY 31, 2023		\$ -0-

See accompanying independent auditor's report.

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2023**

	2022	2021
PROPERTY VALUATIONS:		
Land	\$ 5,626,200	\$ 3,497,820
Improvements	672,060	
Personal Property	541,810	
Exemptions	(38,130)	(34,750)
TOTAL PROPERTY VALUATIONS	\$ 6,801,940	\$ 3,463,070
TAX RATES PER \$100 VALUATION:		
Maintenance	\$ 1.00	\$ 1.00
ADJUSTED TAX LEVY*	\$ 68,019	\$ 34,631
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	100.00 %	100.00 %

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

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation approved by voters on May 12, 2007 and May 7, 2022.

See accompanying independent auditor’s report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - TWO YEARS

	Amounts		Percentage of Total Revenues	
	2023	2022	2023	2022
REVENUES				
Property Taxes	\$ 68,019	\$ 34,631	11.2 %	22.9 %
Water Service	180,014	10,934	29.8	7.2
Wastewater Service	151,457	8,411	25.1	5.6
Penalty and Interest	5,051	722	0.8	0.5
Tap Connection and Inspection Fees	199,239	95,917	33.0	63.6
Investment and Miscellaneous Revenues	433	263	0.1	0.2
TOTAL REVENUES	<u>\$ 604,213</u>	<u>\$ 150,878</u>	<u>100.0 %</u>	<u>100.0 %</u>
EXPENDITURES				
Professional Fees	\$ 104,849	\$ 178,124	17.4 %	118.1 %
Contracted Services	36,843	11,565	6.1	7.7
Purchased Services	85,339		14.1	
Repairs and Maintenance	72,200	8,687	11.9	5.8
Other	157,151	68,455	26.0	45.4
TOTAL EXPENDITURES	<u>\$ 456,382</u>	<u>\$ 266,831</u>	<u>75.5 %</u>	<u>177.0 %</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 147,831</u>	<u>\$ (115,953)</u>	<u>24.5 %</u>	<u>(77.0) %</u>
OTHER FINANCING SOURCES (USES)				
Developer Advances	<u>\$ 43,000</u>	<u>190,000</u>		
NET CHANGE IN FUND BALANCE	\$ 190,831	\$ 74,047		
BEGINNING FUND BALANCE (DEFICIT)	<u>20,750</u>	<u>(53,297)</u>		
ENDING FUND BALANCE	<u>\$ 211,581</u>	<u>\$ 20,750</u>		
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>271</u>	<u>84</u>		
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>271</u>	<u>83</u>		

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2023

District Mailing Address - Brazoria County Municipal Utility District No. 44
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

District Telephone Number - (713) 860-6400

Board Members:	Term of Office (Elected or <u>Appointed</u>)	Fees of Office for the year ended <u>May 31, 2023</u>	Expense Reimbursements for the year ended <u>May 31, 2023</u>	<u>Title</u>
Joel Michael	05/2020 05/2024 (Elected)	\$ 900	\$ 38	President
Melanie Folkert	05/2022 05/2026 (Elected)	\$ 1,050	\$ 98	Vice President
Julie Roberts	05/2023 05/2026 (Appointed)	\$ 150	\$ -0-	Secretary
Ryan Derong	04/2022 05/2024 (Appointed)	\$ 1,650	\$ -0-	Assistant Secretary
Scott Shelburne	05/2022 05/2023 (Resigned)	\$ 750	\$ 47	Former Vice President
Susan Edwards	05/2022 04/2023 (Resigned)	\$ 1,350	\$ -0-	Former Assistant Vice President

Notes: No Director has any substantial business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants. The limit on Fees of Office that a Director may receive during a fiscal year is the maximum amount allowed by law as set by Board Resolution on December 19, 2006. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

Submission date of most recent District Registration Form: June 15, 2023

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2023

Consultants:	<u>Date Hired</u>	<u>Fees / Compensation for the year ended May 31, 2023</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	06/25/19	\$ 89,282	General Counsel
McCall Gibson Swedlund Barfoot PLLC	06/16/22	\$ 8,250	Auditor
L & S District Services, LLC	05/21/20	\$ 5,444	Bookkeeper
DEC	02/19/07	\$ 7,317	Engineer
Robert W. Baird & Co. Incorporated	04/16/20	\$ -0-	Financial Advisor
Tiffany Carden	01/19/23	\$ -0-	Investment Officer
Municipal District Services, LLC	07/15/21	\$ 199,109	Operator
BLICO, Inc.	03/18/21	\$ 10,616	Tax Assessor/ Collector
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	10/14/21	\$ -0-	Delinquent Tax Attorney

See accompanying independent auditor's report.

