

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

BRAZORIA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MAY 31, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

*Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin*

*Mike M. McCall
(retired)
Debbie Gibson
(retired)*

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 each major fund of Brazoria County Municipal Utility District No. 44 (the "District") as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of May 31, 2025, 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.

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 Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

September 18, 2025

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MAY 31, 2025

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, 2025.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all of the District's assets 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 three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and administrative expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2025

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 Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. 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 \$15,841,489 as of May 31, 2025. 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, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table summarizes the Statement of Net Position for the years ended May 31, 2025, and May 31, 2024.

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 2,344,597	\$ 1,252,797	\$ 1,091,800
Capital Assets (Net of Accumulated Depreciation)	10,730,172	9,455,277	1,274,895
Total Assets	\$ 13,074,769	\$ 10,708,074	\$ 2,366,695
Due to Developer	\$ 16,281,499	\$ 17,263,143	\$ 981,644
Bonds Payable	12,138,315	6,860,000	(5,278,315)
Other Liabilities	496,444	260,989	(235,455)
Total Liabilities	\$ 28,916,258	\$ 24,384,132	\$ (4,532,126)
Net Position:			
Net Investment in Capital Assets	\$ (16,687,831)	\$ (13,989,299)	\$ (2,698,532)
Restricted	673,461	168,093	505,368
Unrestricted	172,881	145,148	27,733
Total Net Position	\$ (15,841,489)	\$ (13,676,058)	\$ (2,165,431)

The following table summarizes the District's operations for the years ended May 31, 2025, and May 31, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,165,773	\$ 639,453	\$ 526,320
Charges for Services	741,369	861,692	(120,323)
Other Revenues	64,791	22,266	42,525
Total Revenues	\$ 1,971,933	\$ 1,523,411	\$ 448,522
Expenses for Services	4,137,364	2,533,309	(1,604,055)
Change in Net Position	\$ (2,165,431)	\$ (1,009,898)	\$ (1,155,533)
Net Position, Beginning of Year	(13,676,058)	(12,666,160)	(1,009,898)
Net Position, End of Year	\$ (15,841,489)	\$ (13,676,058)	\$ (2,165,431)

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of May 31, 2025, were \$2,003,600, an increase of \$915,973 from the prior year.

The General Fund fund balance decreased by \$136,267, primarily due to the costs of purchased services, administrative costs, and professional fees exceeding property tax and service revenues.

The Debt Service Fund fund balance increased by \$564,996, primarily due to the receipt of capitalized interest from the sale of the Series 2024 Utility Bonds and Series 2024 Road Bonds offset by the payment of interest on the outstanding debt.

The Capital Projects Fund fund balance increased by \$487,244. The District sold its Series 2024 Utility Bonds and Series 2024 Road Bonds and used a portion of the bond proceeds to reimburse its developer, as more fully discussed in Note 13.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a General Fund budget for the current fiscal year. The budget was amended to reflect increases in anticipated service revenues, investment income, purchased services, and other costs as well as a decrease in anticipated property tax revenues. Actual revenues were \$240,550 less than budgeted revenues and actual expenditures were \$53,362 less than budgeted expenditures which resulted in a negative variance compared to budget of \$187,188. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets, as summarized in the table below, totaled \$10,730,172 as of May 31, 2025, and include land as well as the water, wastewater and detention systems.

Capital Assets At Year-End			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 567,674	\$	\$ 567,674
Capital Assets Subject to Depreciation:			
Water System	1,897,871	1,606,338	291,533
Wastewater System	4,424,887	3,781,270	643,617
Detention System	4,587,589	4,587,589	
Less Accumulated Depreciation	(747,849)	(519,920)	(227,929)
Total Net Capital Assets	<u>\$ 10,730,172</u>	<u>\$ 9,455,277</u>	<u>\$ 1,274,895</u>

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2025

LONG-TERM DEBT ACTIVITY

The District had total bond debt payable of \$12,180,000 as of year end. Bonds payable activity during the current fiscal year is summarized in the following table:

Bond Debt Payable, June 1, 2024	\$ 6,860,000
Add: Bond Sales	<u>5,320,000</u>
Bond Debt Payable, May 31, 2025	<u>\$ 12,180,000</u>

The District's outstanding bonds do not carry underlying nor insured ratings.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The adopted budget for fiscal year 2026 projects a General Fund fund balance increase of \$65. Revenues are budgeted to be \$1,714,410, while expenditures are budgeted to be \$1,714,345.

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 FUNDS BALANCE SHEET
MAY 31, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 63,949	\$ 431,286
Investments	614,047	448,584
Receivables:		
Service Accounts	125,044	
Other	3,021	
Due from Other Funds	50,962	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	<u><u>\$ 857,023</u></u>	<u><u>\$ 879,870</u></u>
LIABILITIES		
Accounts Payable	\$ 310,169	\$
Accrued Interest Payable		
Due to Developer		
Due to Other Funds		50,962
Security Deposits	30,828	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	<u><u>\$ 340,997</u></u>	<u><u>\$ 50,962</u></u>
FUND BALANCES		
Restricted for Authorized Construction	\$	\$
Restricted for Debt Service		828,908
Unassigned	516,026	
TOTAL FUND BALANCES	<u><u>\$ 516,026</u></u>	<u><u>\$ 828,908</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 857,023</u></u>	<u><u>\$ 879,870</u></u>
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 508,931	\$ 1,004,166	\$	\$ 1,004,166
149,735	1,212,366		1,212,366
	125,044		125,044
	3,021		3,021
	50,962	(50,962)	
		567,674	567,674
		10,162,498	10,162,498
<u>\$ 658,666</u>	<u>\$ 2,395,559</u>	<u>\$ 10,679,210</u>	<u>\$ 13,074,769</u>
\$	\$ 310,169	\$	\$ 310,169
		155,447	155,447
		16,281,499	16,281,499
	50,962	(50,962)	
	30,828		30,828
		150,000	150,000
		11,988,315	11,988,315
<u>\$ -0-</u>	<u>\$ 391,959</u>	<u>\$ 28,524,299</u>	<u>\$ 28,916,258</u>
\$ 658,666	\$ 658,666	\$ (658,666)	\$
	828,908	(828,908)	
	516,026	(516,026)	
<u>\$ 658,666</u>	<u>\$ 2,003,600</u>	<u>\$ (2,003,600)</u>	<u>\$ -0-</u>
<u>\$ 658,666</u>	<u>\$ 2,395,559</u>		
		\$ (16,687,831)	\$ (16,687,831)
		673,461	673,461
		172,881	172,881
		<u>\$ (15,841,489)</u>	<u>\$ (15,841,489)</u>

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 FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MAY 31, 2025

Total Fund Balances - Governmental Funds	\$	2,003,600
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		10,730,172
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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	\$ (16,281,499)	
Accrued Interest Payable	(155,447)	
Bonds Payable	<u>(12,138,315)</u>	<u>(28,575,261)</u>
 Total Net Position - Governmental Activities		 <u><u>\$ (15,841,489)</u></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 FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 474,081	\$ 691,692
Water Service	335,715	
Wastewater Service	280,616	
Penalty and Interest	15,042	1,823
Connection and Inspection Fees	108,173	
Investment and Miscellaneous Revenues	23,663	19,915
TOTAL REVENUES	\$ 1,237,290	\$ 713,430
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 104,441	\$
Contracted Services	53,648	15,547
Purchased Services	981,306	
Repairs and Maintenance	130,588	
Depreciation		
Other	103,574	4,233
Capital Outlay		
Developer Interest		
Conveyance of Assets - Brazoria County		
Debt Service:		
Bond Interest		448,866
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	\$ 1,373,557	\$ 468,646
EXCESS (DEFICIENCY) OF REVENUES		
OVER EXPENDITURES/EXPENSES	\$ (136,267)	\$ 244,784
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuance of Long-Term Debt	\$	\$ 320,212
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	\$ -0-	\$ 320,212
NET CHANGE IN FUND BALANCES	\$ (136,267)	\$ 564,996
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JUNE 1, 2024	652,293	263,912
FUND BALANCES/NET POSITION - MAY 31, 2025	\$ 516,026	\$ 828,908

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 1,165,773	\$	\$ 1,165,773
	335,715		335,715
	280,616		280,616
	16,865		16,865
	108,173		108,173
21,213	64,791		64,791
<u>\$ 21,213</u>	<u>\$ 1,971,933</u>	<u>\$ -0-</u>	<u>\$ 1,971,933</u>
\$	\$ 104,441	\$	\$ 104,441
	69,195		69,195
	981,306		981,306
	130,588		130,588
		227,929	227,929
115	107,922		107,922
3,499,981	3,499,981	(3,499,981)	
500,194	500,194		500,194
		1,015,513	1,015,513
	448,866	60,522	509,388
490,888	490,888		490,888
<u>\$ 4,491,178</u>	<u>\$ 6,333,381</u>	<u>\$ (2,196,017)</u>	<u>\$ 4,137,364</u>
<u>\$ (4,469,965)</u>	<u>\$ (4,361,448)</u>	<u>\$ 2,196,017</u>	<u>\$ (2,165,431)</u>
\$ 4,999,788	\$ 5,320,000	\$ (5,320,000)	\$
(127,550)	(127,550)	127,550	
84,971	84,971	(84,971)	
<u>\$ 4,957,209</u>	<u>\$ 5,277,421</u>	<u>\$ (5,277,421)</u>	<u>\$ -0-</u>
\$ 487,244	\$ 915,973	\$ (915,973)	\$
		(2,165,431)	(2,165,431)
171,422	1,087,627	(14,763,685)	(13,676,058)
<u>\$ 658,666</u>	<u>\$ 2,003,600</u>	<u>\$ (17,845,089)</u>	<u>\$ (15,841,489)</u>

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 FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2025**

Net Change in Fund Balances - Governmental Funds	\$	915,973
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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.		(227,929)
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Governmental funds report capital outlay and developer reimbursements as expenditures in the period purchased. In the government-wide financial statements, capital assets are increased by new purchases or the related developer liability is reduced.		3,499,981
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Assets conveyed to other governmental entities are recorded as expenses in the Statement of Activities.		(1,015,513)
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Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(60,522)
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Governmental funds report bond proceeds and the related original issue discounts and bond premiums as other financing sources and uses. Bond sales increase long-term liabilities in the Statement of Net Position, and the original issue discounts and bond premiums are amortized over the life of the bonds.		(5,277,421)
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Change in Net Position - Governmental Activities	\$	<u>(2,165,431)</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, 2025

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, 2025

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. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements and Governmental Funds

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. The District has three governmental funds and considers each to be a major fund.

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

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

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

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers 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. The Debt Service Fund owed the General Fund \$50,962 for maintenance tax collections as of fiscal year end.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

Certain land, roads and storm sewer infrastructure are conveyed to Brazoria County for ownership and maintenance. Since inception, the District has conveyed infrastructure totaling \$13,033,557, including \$1,015,513 conveyed during the current fiscal year.

Budgeting

A budget is adopted each year for the General Fund by the District's Board of Directors and is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was 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.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

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

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, 2025

NOTE 3. LONG-TERM DEBT

	<u>Series 2023 Road</u>	<u>Series 2024 Utility</u>	<u>Series 2024 Road</u>
Amount Outstanding – May 31, 2025	\$6,860,000	\$3,690,000	\$1,630,000
Interest Rates	5.00% - 6.00%	4.00% - 6.50%	4.125% - 6.625%
Maturity Dates – Serially Beginning/Ending	September 1, 2025/2048	September 1, 2026/2049	September 1, 2026/2049
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2030 *	September 1, 2030 *	September 1, 2030 *

* By lot or other customary random selection at a price equal to the principal amount thereof plus accrued to the date fixed for redemption. Series 2023 Road term bonds maturing September 1, 2030, 2033, 2036, 2039, 2042 and 2048 are subject to mandatory redemption beginning September 1, 2028, 2031, 2034, 2037, 2040 and 2043, respectively. Series 2024 term bonds maturing September 1, 2039, 2045 and 2049 are subject to mandatory redemption beginning September 1, 2032, 2040 and 2046, respectively. Series 2024 Road term bonds maturing September 1, 2032, 2034, 2036, 2038 and 2049 are subject to mandatory redemption beginning September 1, 2030, 2033, 2035, 2037 and 2039, respectively.

The debt service requirements on the bonds outstanding are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 150,000	\$ 618,038	\$ 768,038
2027	265,000	606,816	871,816
2028	280,000	591,460	871,460
2029	300,000	575,113	875,113
2030	315,000	557,775	872,775
2031-2035	1,825,000	2,508,990	4,333,990
2036-2040	2,385,000	1,998,636	4,383,636
2041-2045	3,115,000	1,317,323	4,432,323
2046-2050	3,545,000	411,168	3,956,168
	<u>\$ 12,180,000</u>	<u>\$ 9,185,319</u>	<u>\$ 21,365,319</u>

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 3. LONG-TERM DEBT (Continued)

Bonds payable activity for the current fiscal year is summarized in the following table:

	June 1, 2024	Additions	Retirements	May 31, 2025
Bonds Payable	\$ 6,860,000	\$ 5,320,000	\$	\$ 12,180,000
Unamortized Discounts		(127,550)	(2,678)	(124,872)
Unamortized Premiums		84,971	1,784	83,187
Bonds Payable, net	<u>\$ 6,860,000</u>	<u>\$ 5,277,421</u>	<u>\$ (894)</u>	<u>\$ 12,138,315</u>
		Amount Due Within One Year		\$ 150,000
		Amount Due After One Year		<u>11,988,315</u>
		Total Bonds Payable		<u>\$ 12,138,315</u>

The District's authorized but unissued bonds include the following: \$63,010,000 for the purchase or construction of water, sewer, and drainage facilities and \$66,700,000 for refunding of such bonds; \$23,510,000 for the purchase or construction of road facilities and \$32,000,000 for refunding of such bonds; and \$32,500,000 for recreational facilities and \$16,250,000 for refunding of such bonds.

During the year ended May 31, 2025, the District levied an ad valorem debt service tax rate of \$0.89 per \$100 of assessed valuation, which resulted in a tax levy of \$691,692 on the adjusted taxable valuation of \$77,718,168 for the 2024 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

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

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each five-year anniversary of the bonds.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS
(Continued)

The bond resolution states that the District is required to provide to certain information repositories continuing disclosure of annual financial information and operating data with respect to the District. The information is of the general type included in the annual audit report and must be filed within six months after the end of each fiscal year.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or 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 which require that all cash balances 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 \$1,004,166 and the bank balance was \$1,350,666. Of the bank balance, \$953,547 was covered by federal depository insurance and the remaining balance was collateralized with securities held in a third-party deposit in the District's name. The District was not exposed to custodial credit risk at year end.

The carrying values of the deposits at year end are summarized in the following table:

	<u>Cash</u>
GENERAL FUND	\$ 63,949
DEBT SERVICE FUND	431,286
CAPITAL PROJECTS FUND	<u>508,931</u>
TOTAL DEPOSITS	<u>\$ 1,004,166</u>

Restrictions

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

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 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 which is reviewed annually and which may be more restrictive than the Public Funds Investment Act.

As of May 31, 2025, the District had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	\$ 614,047	\$ 614,047
<u>DEBT SERVICE FUND</u>		
Texas CLASS	448,584	448,584
<u>CAPITAL PROJECTS FUND</u>		
Texas CLASS	149,735	149,735
TOTAL INVESTMENTS	<u>\$ 1,212,366</u>	<u>\$ 1,212,366</u>

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in Texas CLASS to have a maturity of less than one year since the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), a public funds investment pool. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor and UMB Bank, N.A., serves as the custodian for the pool. Texas CLASS is subject to the general supervision of the Board of Trustees and its Advisory Board, both of which are elected by the Texas CLASS participants. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. There are no limitations or restrictions on withdrawals from Texas CLASS.

NOTE 6. CAPITAL ASSETS

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

	June 1, 2024	Increases	Decreases	May 31, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ -0-	\$ 567,674	\$ -0-	\$ 567,674
Capital Assets Subject to Depreciation				
Water System	\$ 1,606,338	\$ 291,533	\$	\$ 1,897,871
Wastewater System	3,781,270	643,617		4,424,887
Detention System	4,587,589			4,587,589
Total Capital Assets Subject to Depreciation	\$ 9,975,197	\$ 935,150	\$ -0-	\$ 10,910,347
Accumulated Depreciation				
Water System	\$ 71,577	\$ 37,519	\$	\$ 109,096
Wastewater System	157,133	88,464		245,597
Detention System	291,210	101,946		393,156
Total Accumulated Depreciation	\$ 519,920	\$ 227,929	\$ -0-	\$ 747,849
Total Depreciable Capital Assets Net of Accumulated Depreciation	\$ 9,455,277	\$ 707,221	\$ -0-	\$ 10,162,498
Total Capital Assets, Net of Accumulated Depreciation	\$ 9,455,277	\$ 1,274,895	\$ -0-	\$ 10,730,172

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 7. 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, 2025, the District levied an ad valorem maintenance tax rate of \$0.61 per \$100 of assessed valuation, which resulted in a tax levy of \$474,081 on the adjusted taxable valuation of \$77,718,168 for the 2024 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.

NOTE 8. WATER SUPPLY AND WASTEWATER SERVICE AGREEMENT

On October 20, 2020, the District entered into a wholesale water supply and wastewater service agreement (the "Agreement") with Metro Water Systems, Inc. ("Metro") and Wan Bridge Land LLC. The Agreement was amended on April 21, 2022, and again on August 17, 2023. The Agreement provides the terms and conditions under which Metro will provide wholesale potable water supply and wastewater treatment to the District in sufficient quantities to meet the District's total projected demand at full development. The District pays Metro wholesale rates as set forth in the Agreement to provide service to the District. The District is the only customer of the Metro plants, which are located in the District.

Metro's water plant consists of 2 water wells with a capacity of 500 gallons per minute and one ground storage tank with a capacity of 240,000 gallons and one hydropneumatics tank with a capacity of 15,000 gallons. Metro owns and operates 0.135 million gallon per day wastewater treatment plant with the potential for future expansions. Metro is responsible for the cost of operating and maintaining its water plant and wastewater treatment plant. The District is responsible for designing, constructing, operating and maintaining all internal facilities necessary for the distribution of water supplies received from Metro to its customers and for the collection of wastewater from its customers and delivery of such wastewater to Metro. The District contracts with Municipal District Services to operate and maintain the District's water and wastewater facilities and bill District customers.

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.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 9. BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

The District is located within the boundaries of the Brazoria County Groundwater Conservation District (the “Conservation District”). The Conservation District was created under Article 16, Section 59 of the Texas Constitution by House Bill 3602 (the “Act”), as passed by the 77th Texas Legislature in 2001, and confirmed by county voters in an election held November 8, 2005. The Act empowers the Conservation District to maintain and protect the groundwater resources of Brazoria County. The Conservation District imposes fees on certain municipal, industrial and commercial users, and may collect additional fees on groundwater exported from the county.

NOTE 10. EMERGENCY WATER SUPPLY AGREEMENT

On March 21, 2024, the District entered into an emergency water supply agreement with Brazoria County Municipal Utility District No. 64. The agreement outlines the terms and conditions under which the districts will provide potable water to each other for use during emergency conditions. The agreement has a term of 40 years.

NOTE 11. 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 developer will come from future bond sales. At May 31, 2025, the District had a liability balance due to the developer of \$16,281,499, of which \$343,145 was for operating advances.

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	\$ 17,263,143
Plus: Additions	2,518,337
Less: Reimbursements	<u>(3,499,981)</u>
Due to Developer, end of year	<u><u>\$ 16,281,499</u></u>

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2025

NOTE 12. 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.

NOTE 13. BOND SALES

On November 22, 2024, the District issued Unlimited Tax Bonds, Series 2024, of \$3,690,000 with interest rates ranging from 4.00% to 6.50%. The net proceeds of \$3,373,311 (after payment of underwriter fees, bond issue costs, and the bond discount) were used to finance the construction of developer funded water, wastewater and drainage facilities and land acquisition costs and fund future interest payments on the bonds.

On November 22, 2024, the District issued Unlimited Tax Road Bonds, Series 2024, of \$1,630,000 with interest rates ranging from 4.125% to 6.625%. The net proceeds of \$1,485,740 (after payment of underwriter fees, bond issue costs, and the bond discount) were used to finance the construction of developer funded roads and road improvements and fund future interest payments on the bonds.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

REQUIRED SUPPLEMENTARY INFORMATION

MAY 31, 2025

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, 2025

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 600,000	\$ 466,800	\$ 474,081	\$ 7,281
Water Service	330,500	460,600	335,715	(124,885)
Wastewater Service	271,000	360,210	280,616	(79,594)
Penalty and Interest	6,000	8,130	15,042	6,912
Connection and Inspection Fees	146,900	157,100	108,173	(48,927)
Investment and Miscellaneous Revenues	<u>8,000</u>	<u>25,000</u>	<u>23,663</u>	<u>(1,337)</u>
TOTAL REVENUES	<u>\$ 1,362,400</u>	<u>\$ 1,477,840</u>	<u>\$ 1,237,290</u>	<u>\$ (240,550)</u>
EXPENDITURES				
Service Operations:				
Professional Fees	\$ 130,000	\$ 131,000	\$ 104,441	\$ 26,559
Contracted Services	49,700	49,700	53,648	(3,948)
Purchased Services	562,540	903,314	981,306	(77,992)
Repairs and Maintenance	163,000	163,000	130,588	32,412
Other	<u>174,155</u>	<u>179,905</u>	<u>103,574</u>	<u>76,331</u>
TOTAL EXPENDITURES	<u>\$ 1,079,395</u>	<u>\$ 1,426,919</u>	<u>\$ 1,373,557</u>	<u>\$ 53,362</u>
NET CHANGE IN FUND BALANCE	\$ 283,005	\$ 50,921	\$ (136,267)	\$ (187,188)
FUND BALANCE - JUNE 1, 2024	<u>652,293</u>	<u>652,293</u>	<u>652,293</u>	
FUND BALANCE - MAY 31, 2025	<u><u>\$ 935,298</u></u>	<u><u>\$ 703,214</u></u>	<u><u>\$ 516,026</u></u>	<u><u>\$ (187,188)</u></u>

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

MAY 31, 2025

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2025

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

<u> X </u>	Retail Water	<u> </u>	Wholesale Water	<u> X </u>	Drainage
<u> X </u>	Retail Wastewater	<u> </u>	Wholesale Wastewater	<u> </u>	Irrigation
<u> </u>	Parks/Recreation	<u> </u>	Fire Protection	<u> </u>	Security
<u> </u>	Solid Waste/Garbage	<u> </u>	Flood Control	<u> X </u>	Roads
<u> </u>	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u> </u>	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 June 20, 2024.

	<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:	\$ 50.00	5,000	N	\$ 7.00	5,001 and up

WASTEWATER:	\$ 50.00	N/A	Y		
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SURCHARGE:

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

District employs winter averaging for wastewater usage?	<u> </u>	<u> X </u>
	Yes	No

Total monthly charges per 10,000 gallons usage: Water: \$85.00 Wastewater: \$50.00 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, 2025

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	
≤¾"	<u>503</u>	<u>467</u>	x 1.0	<u>467</u>
1"	<u>2</u>	<u>2</u>	x 2.5	<u>5</u>
1½"	<u>1</u>	<u>1</u>	x 5.0	<u>5</u>
2"	<u>1</u>	<u>1</u>	x 8.0	<u>8</u>
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>507</u>	<u>471</u>		<u>485</u>
Total Wastewater Connections	<u>503</u>	<u>467</u>	x 1.0	<u>467</u>

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

Gallons billed to customers:	19,324,000	Water Accountability Ratio: 100.0% (Gallons billed/Gallons purchased)
Gallons purchased:	19,324,000	From: Metro Water Systems, Inc. (Pradera Oaks Water System)

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2025

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, 2025

PROFESSIONAL FEES:	
Auditing	\$ 13,000
Engineering	19,374
Legal	<u>72,067</u>
TOTAL PROFESSIONAL FEES	<u>\$ 104,441</u>
 PURCHASED SERVICES	 <u>\$ 981,306</u>
 CONTRACTED SERVICES:	
Bookkeeping	\$ 13,164
Operations and Billing	<u>40,484</u>
TOTAL CONTRACTED SERVICES	<u>\$ 53,648</u>
 REPAIRS AND MAINTENANCE	 <u>\$ 130,588</u>
 ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 11,420
Insurance	8,271
Meetings and Other	<u>4,510</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 24,201</u>
 OTHER EXPENDITURES:	
Chemicals, Labs and Permit Fees	\$ 2,341
Connection and Inspection Fees	72,033
Utilities	2,180
TCEQ Regulatory Assessment	<u>2,819</u>
TOTAL OTHER EXPENDITURES	<u>\$ 79,373</u>
 TOTAL EXPENDITURES	 <u><u>\$ 1,373,557</u></u>

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
INVESTMENTS
MAY 31, 2025

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
Texas CLASS	XXXX0001	Varies	Daily	\$ 614,047	\$ -0-
<u>DEBT SERVICE FUND</u>					
Texas CLASS	XXXX0003	Varies	Daily	\$ 448,584	\$ -0-
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	XXXX0002	Varies	Daily	\$ 149,735	\$ -0-
TOTAL - ALL FUNDS				\$ 1,212,366	\$ -0-

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2025

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
JUNE 1, 2024	\$	-0-	\$	-0-
Adjustments to Beginning				
Balance	<u> </u>	\$ -0-	<u> </u>	\$ -0-
Original 2024 Tax Levy	\$	476,153	\$	694,715
Adjustment to 2024 Tax Levy	<u> </u>	<u>(2,072)</u>	<u> </u>	<u>(3,023)</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 474,081		\$ 691,692
TAX COLLECTIONS:				
Prior Years	\$	-0-	\$	-0-
Current Year	<u> </u>	<u>474,081</u>	<u> </u>	<u>691,692</u>
TAXES RECEIVABLE -				
MAY 31, 2025		<u>\$ -0-</u>		<u>\$ -0-</u>

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS:				
Land	\$ 28,076,910	\$ 20,587,430	\$ 5,626,200	\$ 3,497,820
Improvements	50,712,540	20,469,458	672,060	
Personal Property	1,462,230	1,575,810	541,810	
Exemptions	<u>(2,533,512)</u>	<u>(2,520)</u>	<u>(38,130)</u>	<u>(34,750)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 77,718,168</u>	<u>\$ 42,630,178</u>	<u>\$ 6,801,940</u>	<u>\$ 3,463,070</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.89	\$ 0.00	\$ 0.00	\$ 0.00
Maintenance	<u>0.61</u>	<u>1.50</u>	<u>1.00</u>	<u>1.00</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 1.50</u>	<u>\$ 1.50</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>
ADJUSTED TAX LEVY*	<u>\$ 1,165,773</u>	<u>\$ 639,453</u>	<u>\$ 68,019</u>	<u>\$ 34,631</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

* 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
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2025

S E R I E S - 2 0 2 3 R O A D				
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total	
2026	\$ 150,000	\$ 379,525	\$	529,525
2027	155,000	371,900		526,900
2028	165,000	363,901		528,901
2029	175,000	355,400		530,400
2030	185,000	346,400		531,400
2031	195,000	336,901		531,901
2032	200,000	326,900		526,900
2033	215,000	316,266		531,266
2034	225,000	304,991		529,991
2035	235,000	293,056		528,056
2036	250,000	280,324		530,324
2037	260,000	266,937		526,937
2038	275,000	252,550		527,550
2039	290,000	237,013		527,013
2040	305,000	220,650		525,650
2041	320,000	203,062		523,062
2042	340,000	184,087		524,087
2043	355,000	164,106		519,106
2044	375,000	142,650		517,650
2045	395,000	119,550		514,550
2046	415,000	95,250		510,250
2047	435,000	69,750		504,750
2048	460,000	42,900		502,900
2049	485,000	14,550		499,550
2050				
	<u>\$ 6,860,000</u>	<u>\$ 5,688,619</u>	<u>\$</u>	<u>12,548,619</u>

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2025

S E R I E S - 2 0 2 4 U T I L I T Y			
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	\$	\$ 163,400	\$ 163,400
2027	75,000	160,963	235,963
2028	80,000	155,925	235,925
2029	85,000	150,563	235,563
2030	90,000	144,875	234,875
2031	95,000	138,863	233,863
2032	100,000	132,525	232,525
2033	105,000	127,175	232,175
2034	110,000	122,875	232,875
2035	115,000	118,375	233,375
2036	125,000	113,575	238,575
2037	130,000	108,475	238,475
2038	140,000	103,075	243,075
2039	145,000	97,375	242,375
2040	155,000	91,375	246,375
2041	165,000	84,872	249,872
2042	175,000	77,859	252,859
2043	185,000	70,434	255,434
2044	195,000	62,597	257,597
2045	205,000	54,347	259,347
2046	215,000	45,684	260,684
2047	230,000	36,506	266,506
2048	245,000	26,709	271,709
2049	255,000	16,397	271,397
2050	270,000	5,569	275,569
	<u>\$ 3,690,000</u>	<u>\$ 2,410,388</u>	<u>\$ 6,100,388</u>

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2025

S E R I E S - 2 0 2 4 R O A D			
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	\$	\$ 75,113	\$ 75,113
2027	35,000	73,953	108,953
2028	35,000	71,634	106,634
2029	40,000	69,150	109,150
2030	40,000	66,500	106,500
2031	40,000	63,850	103,850
2032	45,000	61,034	106,034
2033	45,000	58,053	103,053
2034	50,000	55,313	105,313
2035	50,000	52,813	102,813
2036	55,000	50,428	105,428
2037	60,000	48,056	108,056
2038	60,000	45,581	105,581
2039	65,000	43,003	108,003
2040	70,000	40,219	110,219
2041	75,000	37,228	112,228
2042	75,000	34,134	109,134
2043	80,000	30,938	110,938
2044	85,000	27,534	112,534
2045	90,000	23,925	113,925
2046	95,000	20,109	115,109
2047	100,000	16,088	116,088
2048	105,000	11,859	116,859
2049	115,000	7,322	122,322
2050	120,000	2,475	122,475
	<u>\$ 1,630,000</u>	<u>\$ 1,086,312</u>	<u>\$ 2,716,312</u>

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2025

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending May 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 150,000	\$ 618,038	\$ 768,038
2027	265,000	606,816	871,816
2028	280,000	591,460	871,460
2029	300,000	575,113	875,113
2030	315,000	557,775	872,775
2031	330,000	539,614	869,614
2032	345,000	520,459	865,459
2033	365,000	501,494	866,494
2034	385,000	483,179	868,179
2035	400,000	464,244	864,244
2036	430,000	444,327	874,327
2037	450,000	423,468	873,468
2038	475,000	401,206	876,206
2039	500,000	377,391	877,391
2040	530,000	352,244	882,244
2041	560,000	325,162	885,162
2042	590,000	296,080	886,080
2043	620,000	265,478	885,478
2044	655,000	232,781	887,781
2045	690,000	197,822	887,822
2046	725,000	161,043	886,043
2047	765,000	122,344	887,344
2048	810,000	81,468	891,468
2049	855,000	38,269	893,269
2050	390,000	8,044	398,044
	\$ 12,180,000	\$ 9,185,319	\$ 21,365,319

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
CHANGES IN LONG TERM BOND DEBT
FOR THE YEAR ENDED MAY 31, 2025

Description	Original Bonds Issued	Bonds Outstanding June 1, 2024
Brazoria County Municipal Utility District No. 44 Unlimited Tax Road Bonds - Series 2023	\$ 6,860,000	\$ 6,860,000
Brazoria County Municipal Utility District No. 44 Unlimited Tax Bonds - Series 2024	3,690,000	
Brazoria County Municipal Utility District No. 44 Unlimited Tax Road Bonds - Series 2024	<u>1,630,000</u>	
TOTAL	<u>\$ 12,180,000</u>	<u>\$ 6,860,000</u>

Bond Authority:	Utility Bonds	Road Bonds	Park Bonds
Amount Authorized by Voters	\$ 66,700,000	\$ 32,000,000	\$ 32,500,000
Amount Issued	<u>(3,690,000)</u>	<u>(8,490,000)</u>	
Remaining to be Issued	<u>\$ 63,010,000</u>	<u>\$ 23,510,000</u>	<u>\$ 32,500,000</u>

Debt Service Fund cash and investment balances as of May 31, 2025: \$ 879,870

Average annual debt service payment for remaining term of all bond debt: \$ 854,613

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

Note: The District also has refunding bonds authorized but unissued as follows:
\$66,700,000 for utilities, \$32,000,000 for roads, and \$16,250,000 for parks.

See accompanying independent auditor's report.

Current Year Transactions				
Bonds Sold	Retirements		Bonds Outstanding May 31, 2025	Paying Agent
	Principal	Interest		
\$	\$	\$ 383,275	\$ 6,860,000	BOKF, NA Dallas, TX
3,690,000		44,935	3,690,000	BOKF, NA Dallas, TX
<u>1,630,000</u>		<u>20,656</u>	<u>1,630,000</u>	BOKF, NA Dallas, TX
<u>\$ 5,320,000</u>	<u>\$ - 0 -</u>	<u>\$ 448,866</u>	<u>\$ 12,180,000</u>	

See accompanying independent auditor's report.

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

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 474,081	\$ 639,453	\$ 68,019
Water Service	335,715	379,895	180,014
Wastewater Service	280,616	241,376	151,457
Penalty and Interest	15,042	8,188	5,051
Connection and Inspection Fees	108,173	232,233	199,239
Investment and Miscellaneous Revenues	<u>23,663</u>	<u>11,775</u>	<u>433</u>
TOTAL REVENUES	<u>\$ 1,237,290</u>	<u>\$ 1,512,920</u>	<u>\$ 604,213</u>
EXPENDITURES			
Professional Fees	\$ 104,441	\$ 124,929	\$ 104,849
Contracted Services	53,648	41,516	36,843
Purchased Services	981,306	476,078	85,339
Repairs and Maintenance	130,588	218,716	72,200
Other	<u>103,574</u>	<u>210,969</u>	<u>157,151</u>
TOTAL EXPENDITURES	<u>\$ 1,373,557</u>	<u>\$ 1,072,208</u>	<u>\$ 456,382</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (136,267)</u>	<u>\$ 440,712</u>	<u>\$ 147,831</u>
OTHER FINANCING SOURCES (USES)			
Developer Advances	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 43,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (136,267)</u>	<u>\$ 440,712</u>	<u>\$ 190,831</u>
BEGINNING FUND BALANCE (DEFICIT)	<u>652,293</u>	<u>211,581</u>	<u>20,750</u>
ENDING FUND BALANCE	<u>\$ 516,026</u>	<u>\$ 652,293</u>	<u>\$ 211,581</u>

See accompanying independent auditor's report.

	Percentage of Total Revenues				
<u>2022</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	
\$ 34,631	38.3 %	42.3 %	11.2 %	22.9 %	
10,934	27.1	25.1	29.8	7.2	
8,411	22.7	16.0	25.1	5.6	
722	1.2	0.5	0.8	0.5	
95,917	8.8	15.3	33.0	63.6	
<u>263</u>	<u>1.9</u>	<u>0.8</u>	<u>0.1</u>	<u>0.2</u>	
\$ <u>150,878</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	
\$ 178,124	8.4 %	8.3 %	17.4 %	118.1 %	
11,565	4.3	2.7	6.1	7.7	
	79.3	31.5	14.1		
8,687	10.6	14.5	11.9	5.8	
<u>68,455</u>	<u>8.4</u>	<u>13.9</u>	<u>26.0</u>	<u>45.4</u>	
\$ <u>266,831</u>	<u>111.0 %</u>	<u>70.9 %</u>	<u>75.5 %</u>	<u>177.0 %</u>	
\$ <u>(115,953)</u>	<u>(11.0) %</u>	<u>29.1 %</u>	<u>24.5 %</u>	<u>(77.0) %</u>	
\$ <u>190,000</u>					
\$ 74,047					
<u>(53,297)</u>					
\$ <u>20,750</u>					

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FOUR YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 691,692	\$	\$
Penalty and Interest	1,823		
Investment and Miscellaneous Revenues	19,915	6,956	
TOTAL REVENUES	\$ 713,430	\$ 6,956	\$ -0-
EXPENDITURES			
Tax Collection Expenditures	\$ 19,780	\$ 15,595	\$
Debt Service Interest and Fees	448,866	110,724	
TOTAL EXPENDITURES	\$ 468,646	\$ 126,319	\$ -0-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 244,784	\$ (119,363)	\$ -0-
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-Term Debt	\$ 320,212	\$ 383,275	\$ -0-
NET CHANGE IN FUND BALANCE	\$ 564,996	\$ 263,912	\$
BEGINNING FUND BALANCE	263,912		
ENDING FUND BALANCE	\$ 828,908	\$ 263,912	\$ -0-
TOTAL ACTIVE RETAIL WATER CONNECTIONS	471	468	271
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	467	466	271

See accompanying independent auditor's report.

	Percentage of Total Revenues					
<u>2022</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>		
\$	96.9 %	%	%	%	%	
	0.3					
	2.8	100.0				
<u>\$ -0-</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>N/A %</u>	<u>N/A %</u>		
\$	2.8 %	224.2 %	%	%	%	
	62.9	1,591.8				
<u>\$ -0-</u>	<u>65.7 %</u>	<u>1,816.0 %</u>	<u>N/A %</u>	<u>N/A %</u>		
<u>\$ -0-</u>	<u>34.3 %</u>	<u>(1,716.0) %</u>	<u>N/A %</u>	<u>N/A %</u>		
<u>\$ -0-</u>						
\$						
<u>\$ -0-</u>						
<u>84</u>						
<u>83</u>						

See accompanying independent auditor's report.

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

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.

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2025

Consultants:	Date Hired	Fees / Compensation for the year ended May 31, 2025	Title
Allen Boone Humphries Robinson LLP	06/25/19	\$ 72,067 \$ 161,524	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	06/16/22	\$ 13,000 \$ 31,500	Auditor Bond Related
L & S District Services, LLC	05/21/20	\$ 13,164 \$ 1,200	Bookkeeper Bond Related
Garnett Fleming, Inc.	02/19/07	\$ 19,374 \$ 28,065	Engineer Bond Related
Robert W. Baird & Co. Incorporated	04/16/20	\$ 108,980	Financial Advisor
Tiffany Carden	01/19/23	\$ -0-	Investment Officer
Municipal District Services, LLC	07/15/21	\$ 185,112	Operator
BLICO, Inc.	03/18/21	\$ 13,408 \$ 5,000	Tax Assessor/ Collector Bond Related
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	10/14/21	\$ -0-	Delinquent Tax Attorney

See accompanying independent auditor's report.