

This Official Notice of Sale does not alone constitute an invitation for bids on the Bonds but is merely notice of sale of the Bonds described herein. The invitation for bids is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form attached hereto. Information contained in this Official Notice of Sale is qualified in its entirety by the detailed information contained in the Preliminary Official Statement.

OFFICIAL NOTICE OF SALE

\$15,885,000

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20

(A political subdivision of the State of Texas located within Travis County)

UNLIMITED TAX ROAD BONDS, SERIES 2024

BIDS DUE: Tuesday, May 14, 2024 at 10:00 A.M., CDT

BID AWARD: Tuesday, May 14, 2024 at 12:30 P.M., CDT

The Bonds are obligations solely of Travis County Municipal Utility District No. 20 and are not obligations of Travis County, the City of Leander, the State of Texas, or any entity other than the District.

THE SALE

BONDS OFFERED FOR SALE BY COMPETITIVE BIDDING: The Board of Directors (the “Board”) of the Travis County Municipal Utility District No. 20 (the “District”) is inviting competitive bids for the purchase of \$15,885,000 Unlimited Tax Road Bonds, Series 2024 (the “Bonds”). Bidders may submit bids for the Bonds by any of the following methods:

- (1) Deliver bids directly to the District as described below in “Bids Delivered to the District;”
- (2) Submit bids electronically as described below in “Electronic Bidding Procedures;” or
- (3) Submit bids by telephone as described below in “Bids by Telephone.”

BIDS DELIVERED TO THE DISTRICT: Sealed bids, plainly marked “Bid for Bonds,” should be addressed to “President and Board of Directors, Travis County Municipal Utility District No. 20” and delivered to Specialized Public Finance Inc. (“SPFI”), 248 Addie Roy Road, Suite B-103, Austin, Texas 78746 prior to 10:00 A.M., CDT, on May 14, 2024. All bids must be submitted in duplicate on the Official Bid Form, without alteration or interlineation.

ELECTRONIC BIDDING PROCEDURES: Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Bidders must submit by e-mail or facsimile (john@spfmuni.com/(512) 275-7305), prior to 10:00 A.M., CDT on Tuesday, May 14, 2024, a signed Official Bid Form to John Barganski, SPFI, 248 Addie Roy Road, Suite B-103, Austin, Texas 78746. Subscription to the i-Deal LLC’s BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from PARITY Customer Support, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone: (212) 849-5021.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. **For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the District, as described under “Basis of Award” below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.**

BIDS BY TELEPHONE: Bidders must submit by e-mail (john@spfmuni.com) prior to 10:00 A.M., CDT on Tuesday, May 14, 2024, a signed Official Bid Form to John Barganski, SPFI, 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, and submit their bid by telephone on the date of the sale.

Telephone bidders that have provided signed bid forms will be telephoned by a representative of SPFI, as financial advisor for the District, between 9:30 A.M. and 10:00 A.M., CDT on the date of the sale.

The District and SPFI are not responsible if such telephone is busy or is malfunctioning, which prevents a bid or bids from being submitted on a timely basis. **SPFI will not be responsible for submitting any bids received after the above deadlines.** The District and SPFI assume no responsibility or liability with respect to any irregularities associated with the submission of bids if telephone option is exercised.

Facsimile bids will not be accepted.

PLACE AND TIME OF BID OPENING: The bids for the Bonds will be publicly opened and read by an authorized representative of the Board at the offices of SPFI, 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, at 10:00 A.M., CDT, Tuesday, May 14, 2024.

AWARD OF THE BONDS: The District will take action to award the Bonds or reject all bids at a meeting scheduled to convene at 12:30 P.M., CDT, on the date of the bid opening, at Allen Boone Humphries Robinson LLP, 919 Congress Avenue, Suite 1500, Austin, Texas 78701. Upon awarding the Bonds to the winning bidder (the “Initial Purchaser”), the Board will adopt a resolution authorizing the issuance of the Bonds (the “Bond Resolution”). Sale of the Bonds will be made subject to the terms, conditions and provisions of the Bond Resolution, to which Bond Resolution reference is hereby made for all purposes and subject to compliance with Texas Government Code § 2252.908 as more fully described below. The District reserves the right to reject any and all bids and to waive any irregularities, except the time of filing.

THE BONDS

DESCRIPTION OF THE BONDS: The Bonds will be dated June 1, 2024, and interest will accrue from the Date of Delivery (as defined herein) and will be payable on March 1, 2025 and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. The Bonds will be issued in fully registered form only, in denominations of \$5,000 or any integral multiple of \$5,000 for any one maturity, and principal and interest will be paid, initially by UMB Bank, N.A., Austin, Texas (the “Paying Agent/Registrar”). See the Preliminary Official Statement (made a part hereof) for a more complete description of the Bonds. The Bonds will mature serially on September 1 in the years and amounts as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>
<u>DUE</u>	<u>AMOUNT</u>	<u>DUE</u>	<u>AMOUNT</u>	<u>DUE</u>	<u>AMOUNT</u>
2025	\$ 345,000	2034	\$ 525,000	2042	\$ 760,000
2026	360,000	2035	545,000	2043	795,000
2027	380,000	2036	575,000	2044	830,000
2028	395,000	2037	600,000	2045	870,000
2029	415,000	2038	630,000	2046	915,000
2030	435,000	2039	660,000	2047	955,000
2031	455,000	2040	690,000	2048	1,000,000
2032	475,000	2041	725,000	2049	1,050,000
2033	500,000				

SERIAL BONDS AND/OR TERM BONDS: Bidders may provide that all the Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

REDEMPTION PROVISIONS: Bonds maturing on and after September 1, 2035, are subject to redemption prior to maturity, at the option of the District, as a whole or in part, on September 1, 2034, or on any date thereafter at a price equal to the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

MANDATORY SINKING FUND REDEMPTION: If the successful bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on September 1 of the first year which has been combined to form such term bond and continuing on September 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth on the cover page hereof under the caption “MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS.” Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par by lot or other customary method. The principal amount of Term Bonds to be mandatorily redeemed is subject to proportionate reduction by the amount of any prior optional redemption.

BOOK-ENTRY ONLY: The Bonds will be registered in the name of Cede & Co., a nominee for The Depository Trust Company, New York, New York, (“DTC”), which will act as securities depository for the Bonds. Beneficial Owners of the Bonds will not receive physical certificates representing the Bonds but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent directly to DTC, which will, in turn, remit such principal and interest to its participant for subsequent disbursement to the Beneficial Owners of the Bonds as described herein. See “BOOK-ENTRY-ONLY SYSTEM” in the Preliminary Official Statement.

REGISTERED FORM REQUIREMENT: Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax-exempt obligations (with certain exceptions that do not include the Bonds) must be in registered form in order for the interest payable on such obligations to be excluded from the Registered Owners’ income for federal income tax purposes.

SUCCESSOR PAYING AGENT/REGISTRAR: Provision is made in the Bond Resolution for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a corporation organized and doing business under the laws of the United States of America or of any state authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state banking authorities.

SOURCE OF PAYMENT: The Bonds will constitute valid and binding obligations of the District, payable as to principal and interest from the proceeds of an annual ad valorem tax without legal limitation as to rate or amount, levied against taxable property located within the District, as further described in the Preliminary Official Statement. The Bonds are obligations solely of Travis County Municipal Utility District No. 20 and are not obligations of Travis County, the City of Leander, the State of Texas, or any entity other than the District.

CONDITIONS OF THE SALE

TYPES OF BIDS AND INTEREST RATES: The Bonds will be sold in one block, “all or none” and no bid of less than ninety-seven percent (97%) of the principal amount thereof will be considered. Bidders are to name the rate or rates of interest to be borne by the Bonds, provided that each interest rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. No bid which results in a net effective interest rate as defined by Chapter 1204, Texas Government Code (the IBA method) in excess of 6.07% will be considered. No bid generating a cash premium greater than \$5,000 will be accepted. Subject to the conditions below, no limitation will be imposed upon bidders as to the number of interest rates that may be used, but each rate of interest specified for the Bonds maturing in the years 2035 (base year) through 2049 shall not be less than the rate of interest specified for any earlier maturity in the years 2035 through 2049 and the highest interest rate bid may not exceed the lowest interest rate bid by more than two and one-half percent (2.5%) in rate. All Bonds maturing within a single year must bear the same rate of interest, and no bids for the Bonds involving supplemental interest rates will be considered. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid.

PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 (“TEC FORM 1295”) BY BIDDERS: Pursuant to Texas Government Code §2252.908 (the “Interested Party Disclosure Act” or the “Act”), the District may not award the Bonds to a bidder unless the bidder and each syndicate member listed on the Official Bid Form, unless such bidder or syndicate member is exempt from such requirements pursuant to Texas Government Code §2252.908(c)(4), have provided to the District a completed and signed TEC Form 1295 which has been assigned a certificate number by the Texas Ethics Commission (the “TEC”). Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC’s website, assigned a certificate number, printed, signed, and provided to the District. The TEC Form 1295 may accompany the Official Bid Form or may be submitted separately, but must be provided to the District prior to the time prescribed for the award of the Bonds. The TEC Form 1295 may be provided to the District via facsimile or electronically, however, the original signed TEC Form 1295 complete with certificate number must be physically delivered to the District within two business days of the award. Following the award of the Bonds, the District will notify the TEC of the receipt of each completed TEC Form 1295. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein or to waive any such requirements. For purposes of completing the TEC Form 1295, the entity’s name is Travis County Municipal Utility District No. 20 and the contract ID number is **TCMUD20-S2024**.

Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the apparent winning bid.

IMPACT OF BIDDING SYNDICATE ON AWARD: For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

BASIS OF AWARD: For the purpose of awarding the sale of the Bonds, the interest cost of each bid will be computed by determining, at the interest rate or rates specified therein, the total dollar value of all interest on the Bonds from the date thereof to their respective maturities and adding thereto the dollar amount of the discount bid, if any, or subtracting therefrom the dollar amount of the premium bid, if any. Subject to the District's right to reject any or all bids and the bidder's compliance with Texas Government Code § 2252.908 (which is described in detail herein), the Bonds will be awarded to the bidder whose bid, under the above computation, produces the lowest net effective interest rate to the District.

In order to provide the District with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Initial Purchaser will be required to provide the District with a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

COMPLIANCE WITH LAWS PROHIBITING CONTRACTS WITH CERTAIN COMPANIES: The District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, solely for purposes of Chapter 2271 of the Texas Government Code, at the time of execution and delivery of its bid and through the Date of Delivery of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company¹ that boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Additionally, the District will not award the Bonds to a bidder unless the bidder certifies that, solely for purposes of Chapter 2252 of the Texas Government Code, at the time of execution and delivery of its bid, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company² (i) that engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) listed by the Texas Comptroller of Public Accounts under Section 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code. The undersigned agrees to execute, at the request of the District, further written certification as may be necessary or convenient for the District to establish compliance with these laws.

Additionally, the District will not award the Bonds to a bidder unless the bidder represents and verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, solely for purposes of Chapter 2276 of the Texas Government Code, at the time of execution and delivery of its bid and through the Date of Delivery of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company¹ that boycotts or will boycott energy companies. The terms "boycotts energy companies" and "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001 of the Texas Government Code, as amended.

¹ "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit, but does not mean a sole proprietorship.

² "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

Additionally, the District will not award the Bonds to a bidder unless the bidder represents and verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, solely for purposes of Chapter 2274 of the Texas Government Code, at the time of execution and delivery of its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company¹ that has a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association or will discriminate against a firearm entity or firearm trade association. The term “discriminates against a firearm entity or firearm trade association” as used in this paragraph has the meaning assigned to the term “discriminate against a firearm entity or firearm trade association” in Section 2274.001(3) of the Texas Government Code.

Notwithstanding anything contained herein, any prospective bidder agrees that liability for breach of verification of the statutory representations and covenants provided above as required by Chapters 2252, 2271, 2274, and 2276 of the Texas Government Code during the term of the contract shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of the contract.

STANDING LETTER REQUIREMENT: Each prospective bidder must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General’s Office as required by, and compliant in all respects with, the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023, as supplemented on November 16, 2023, December 29, 2023 and January 26, 2024 and any All Bond Counsel Letter issued hereafter (collectively, the “All Bond Counsel Letter”). In submitting a bid, a bidder represents to the District that it has filed a standing letter that conforms to the requirements set forth in the All Bond Counsel Letter and it has no reason to believe that the District may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Attorney General’s Office. The bidder agrees that it will not rescind its standing letter at any time during the period of time required by the All Bond Counsel Letter and at least not before the delivery of the Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

By submitting a bid, bidder makes and certifies to the representations necessary and convenient for the compliance with the aforementioned laws and, at the request of the District, agrees to execute further written certifications as may be necessary or convenient for the District to establish compliance with the aforementioned laws.

FAILURE TO PROVIDE EVIDENCE OF THE FOREGOING TO THE SATISFACTION OF THE TEXAS ATTORNEY GENERAL WILL RESULT IN THE WINNING BIDDER’S FORFEITURE OF ITS GOOD FAITH DEPOSIT.

CONTRACTING INFORMATION: The District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the Official Bid Form represents a contract for goods or services within the meaning of Section 552.371 of the Texas Government Code, as amended, the bidder and each syndicate member listed on the Official Bid Form will (i) preserve all contracting information related to the bid as provided by the records retention requirements applicable to the District through the Date of Delivery of the Bonds, (ii) promptly provide to the District any contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member on request of the District, and (iii) upon delivery of the Bonds to the bidder, either (a) provide at no cost to the District all contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member or (b) preserve the contracting information related to the bid as provided by the records retention requirements applicable to the District. The term “contracting information” as used in this paragraph has the meaning assigned to such term in Section 552.003 of the Texas Government Code.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a bank cashier’s check payable to the order of “Travis County Municipal Utility District No. 20” in the amount of \$317,700, which represents two percent (2%) of the principal amount of the Bonds. The check will be considered as a Good Faith Deposit, and the check of the successful bidder (the “Initial Purchaser”) will be retained uncashed by the District until the Bonds are delivered. In the event the Initial Purchaser should fail or refuse to accept delivery of and pay for the Bonds in accordance with its bid, then the Good Faith Deposit shall be cashed and the proceeds accepted by the District as full and complete liquidated damages against the Initial Purchaser. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the District prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn to authorize its use as a Good Faith Deposit by the bidder, who shall be named in such instructions. The Good Faith Deposit will be returned immediately after full payment has been made by the Initial Purchaser to the District in federal or immediately available funds in the amount of the purchase price plus accrued interest thereon. No interest will be paid on the Good Faith Deposit. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened and an award of the Bonds has been made.

¹“Company” means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit, but does not mean a sole proprietorship.

COMPETITIVE BIDDING AND CERTIFICATE OF INITIAL PURCHASER: In the event that the District does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i), allowing the District to treat the reasonably expected initial offering price to the public as of the sale date as the issue price of the Bonds, the “hold-the-offering-price rule” shall apply, which will allow the District to treat the initial offering price to the public of each maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule applies to any maturity of the Bonds, the Initial Purchaser will neither offer nor sell that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (i) the date on which the Initial Purchaser has sold at least 10 percent of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public or (b) the close of the fifth business day after the sale date. The Initial Purchaser agrees to promptly report to the District’s financial advisor when it has sold 10 percent of a maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth business day after the sale date. Alternative Issue Price Certificates are attached for use (I) when the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i) are met and (II) when such requirements are not met.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

INITIAL DELIVERY OF INITIAL BOND: Initial delivery (“Initial Delivery”) will be accomplished by the issuance of one initial bond (the “Initial Bonds”), either in typed or printed form, in the aggregate principal amount of \$15,885,000, payable in stated installments, registered in the name of the Initial Purchaser, manually signed by the President and Secretary of the Board, or executed by the facsimile signatures of the President and Secretary of the Board, and approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of Texas or his authorized deputy. Initial Delivery will be at the corporate trust office of the Paying Agent/Registrar in Austin, Texas. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Initial Purchaser will be given three (3) business days’ notice of the time fixed for delivery of the Bonds. It is anticipated that Initial Delivery can be made on or about June 13, 2024, and subject to the aforementioned notice it is understood and agreed that the Initial Purchaser will accept delivery of and make payment for the Bonds by 10:00 A.M., CDT, on June 13, 2024, or thereafter on the date the Bonds are tendered for delivery, up to and including June 27, 2024. If for any reason the District is unable to make delivery on or before June 27, 2024, then the District shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty (30) days. If the Initial Purchaser does not elect to extend its offer within three (3) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the Initial Purchaser shall be relieved of any further obligation.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. The Financial Advisor will obtain CUSIP identification numbers from the CUSIP Service Bureau, New York, New York prior to the date of sale. CUSIP identification numbers will be made available to the Initial Purchaser at the time the Bonds are awarded or as soon thereafter as practicable.

CONDITIONS TO DELIVERY: The Initial Purchaser’s obligation to accept delivery of and pay for the Bonds is subject to the issuance of the legal opinion of the Attorney General of Texas as to the legality of the Bonds, and the legal opinion of Allen Boone Humphries Robinson LLP, Austin, Texas, Bond Counsel for the District (“Bond Counsel”), and the No-Litigation Certificate, all as further described in the Preliminary Official Statement.

LEGAL OPINIONS: The District will furnish without cost to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the unqualified approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and binding obligations of the District, and, payable from the proceeds of an annual ad valorem tax, without limit as to rate or amount, levied upon all taxable property within the District, based upon an examination of such transcript of proceedings, the approving legal opinion of Bond Counsel to a like effect and to the effect that, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”)) for the purpose of determining the alternative minimum tax imposed on corporations.

CERTIFICATION REGARDING OFFERING PRICE OF BONDS: In order to provide the District with information to enable it to comply with certain conditions of the Code relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Initial Purchaser will be required to complete, execute and deliver to the District (on or before the Date of Delivery of the Bonds) a certification regarding “issue price” in the form accompanying this Official Notice of Sale. Each bidder, by

submitting its bid, agrees to complete, execute and deliver such a certificate by the Date of Delivery of the Bonds if its bid is accepted by the District. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

NO-LITIGATION CERTIFICATE: The District will furnish the Initial Purchaser a certificate executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, dated as of the date of delivery of the Bonds, to the effect that to their best knowledge no litigation of any nature is pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the levy, assessment and collection of ad valorem taxes to pay the interest on or principal of the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds or the titles of the present officers of the District.

NO MATERIAL ADVERSE CHANGE: The obligations of the Initial Purchaser to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the financial condition of the District from that set forth or contemplated in the Preliminary Official Statement, as an amended or supplemented through the date of sale.

RULE G-32 REQUIREMENTS: It is the responsibility of the Initial Purchaser to comply with the Municipal Securities Rule Making Board's Rule G-32 within the required time frame.

RULE 15c2-12 COMPLIANCE

CONTINUING DISCLOSURE: The District will agree in the Bond Resolution to provide certain periodic information and notices of material events in accordance with Securities and Exchange Commission ("SEC") Rule 15c2-12, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The Initial Purchaser's obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Bond Resolution containing the agreement described under such heading.

SUBSTANTIVE REQUIREMENTS FOR OFFICIAL STATEMENT: To the best knowledge and belief of the Issuer, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Bonds. During the past five (5) years, the District has complied in all material respects with its continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

FINAL OFFICIAL STATEMENT: The District has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds but does not intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the District intends the Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Initial Purchaser and other similar information, terms and provisions to be specified in the competitive bidding process. The Initial Purchaser shall be responsible for promptly informing the District of the initial offering yields of the Bonds. Thereafter, the District will complete and authorize distribution of the Official Statement identifying the Initial Purchaser and containing such omitted information. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the District intends the same to be final as of such date, within the meaning of SEC Rule 15c2-12(f)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are being, or which will be made by the District, are those described and contained in the Official Statement under the caption "PREPARATION OF OFFICIAL STATEMENT – Certification of Official Statement."

CHANGES TO OFFICIAL STATEMENT: If subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, as described below under "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Conditions to Delivery," the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers in which case the District's obligations hereunder will extend for an additional period of time as provided in SEC Rule 15c2-12 (but not more than 90 days after the date the District delivers the Bonds).

DELIVERY OF OFFICIAL STATEMENTS: The District shall furnish to the Initial Purchaser (and to each participating Initial Purchaser of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements specified in the winning bid, not to exceed 250 copies. The District also shall furnish to the Initial Purchaser a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential purchasers of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Initial Purchaser may reasonably request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f)(2). The District shall pay the expense of preparing the number of copies of the Official Statement specified in the winning bid and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchaser shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

GENERAL CONSIDERATIONS

INVESTMENT CONSIDERATIONS: The Bonds involve certain investment considerations. Prospective bidders are urged to examine carefully the entire Preliminary Official Statement, with respect to the investment considerations associated with the Bonds. Particular attention should be given to the information set forth therein under the caption “INVESTMENT CONSIDERATIONS.”

MUNICIPAL BOND RATING AND INSURANCE: Moody’s Investors Service (“Moody’s”) has assigned an underlying, uninsured rating to the District of “Baa3.” Application has also been made for the qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Initial Purchaser and at the Initial Purchaser’s expense. The rating fees of Moody’s will be paid by the District; any other rating fees associated with the insurance will be the responsibility of the Initial Purchaser. A downgrade of the insurer by any rating agency subsequent to submitting a bid with municipal bond insurance and before the closing of the transaction is not a material adverse change nor is it a basis for the Initial Purchaser to terminate its obligations to pay for the Bonds at closing. See “Conditions to Delivery” and “No Material Adverse Change” herein. It should be noted that the state of the municipal bond insurance industry is under stress, which could result in downgrades of certain municipal bond insurers. Accordingly, investors should evaluate the underlying credit quality of the District.

RESERVATION OF RIGHTS: The District reserves the right to reject any and all bids and to waive any and all irregularities, except time of filing.

NOT AN OFFER TO SELL: This Official Notice of Sale does not alone constitute an offer to sell the Bonds but is merely notice of sale of the Bonds. The invitation for bids on the Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE: The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, and the Bonds have not been registered or qualified under the securities acts of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions. By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than the State of Texas will be made pursuant to exemptions from registration or qualification, or where necessary, the Initial Purchaser will register the Bonds in accordance with the securities laws of the state in which the Bonds are offered or sold. The District agrees to cooperate with the Initial Purchaser, at the Initial Purchaser’s written request and expense, in registering or qualifying the Bonds or obtaining an exemption from registration or qualification (other than filing a consent to service of process in such state), in any state where such action is necessary.

ADDITIONAL COPIES OF DOCUMENTS: Additional copies of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form may be obtained from the Financial Advisor, SPFI, 248 Addie Roy Road, Suite B-103, Austin, Texas 78746.

Mr. Samuel G. Billings
President, Board of Directors
Travis County Municipal Utility District No. 20

April 11, 2024

OFFICIAL BID FORM

President and Board of Directors
Travis County Municipal Utility District No. 20
Specialized Public Finance Inc.
248 Addie Roy Road, Suite B-103
Austin, Texas 78746

May 14, 2024

Board Members:

We have read in detail the Official Notice of Sale and Preliminary Official Statement dated April 11, 2024, relating to the \$15,885,000 Travis County Municipal Utility District No. 20 (the "District") Unlimited Tax Road Bonds, Series 2024 (the "Bonds"). We realize that the Bonds involve certain investment risks, and we have made inspections and investigations as we deem necessary relating to the District and to the investment quality of the Bonds.

For your legally issued Bonds, in the aggregate principal amount of \$15,885,000, we will pay you a price of \$_____, representing approximately _____% of the par value. Such Bonds mature September 1, in each of the years and in the amounts and interest rates shown below:

Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate
2025	\$ 345,000	%	2038	\$ 630,000	%
2026	360,000	%	2039	660,000	%
2027	380,000	%	2040	690,000	%
2028	395,000	%	2041	725,000	%
2029	415,000	%	2042	760,000	%
2030	435,000	%	2043	795,000	%
2031	455,000	%	2044	830,000	%
2032	475,000	%	2045	870,000	%
2033	500,000	%	2046	915,000	%
2034	525,000	%	2047	955,000	%
2035	545,000	%	2048	1,000,000	%
2036	575,000	%	2049	1,050,000	%
2037	600,000	%			

Of the principal maturities set forth in the table above, we have created term bonds as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

Term Bond Maturing September 1	Year of First Mandatory Redemption	Principal Amount	Interest Rate
		\$	%
		\$	%
		\$	%
		\$	%

Our calculation (which is not a part of this bid) of the interest cost from the above is:

TOTAL INTEREST COST FROM 6/13/2024 (the "Date of Delivery")	\$
PLUS DOLLAR AMOUNT OF DISCOUNT	\$
NET INTEREST COST	\$
NET EFFECTIVE INTEREST RATE	%

The initial Bonds shall be registered in the name of Cede & Co. We will advise UMB Bank, N.A., Austin, Texas, the Paying Agent/Registrar, on forms to be provided by the Paying Agent/Registrar, of our registration instructions at least five (5) business days prior to the date set for Initial Delivery. We will not ask the Paying Agent/Registrar to accept any registration instructions after the five (5) day period.

We are having the Bonds insured by _____ at a premium of \$ _____, said premium to be paid by the Initial Purchaser. The rating fees associated with the insurance will be the responsibility of the Initial Purchaser.

The undersigned acknowledges that the Bond Insurer will be required to either: (a) submit a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the District as prescribed by the Texas Ethics Commission ("TEC"), or (b) represent to the District that it is a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity at the time of delivery of any bond insurance commitment or other agreement to be executed by the District.

A cashier's check to the District in the amount of \$317,700 will be made available in accordance with the NOTICE OF SALE made a part hereof. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions set forth in the NOTICE OF SALE, the proceeds of this deposit shall be retained by the District as complete liquidated damages against us.

For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

Unless the bidder is exempt from such requirements pursuant to Texas Government Code §2252.908(c)(4), the District may not accept this bid until it has received from the bidder a completed and signed TEC Form 1295 complete with a certificate number assigned by the TEC, pursuant to Texas Government Code §2252.908 and the rules promulgated thereunder by the TEC. The undersigned understands that failure to provide said form and Certificate of Filing, when required, will result in a non-conforming bid and will prohibit the District from considering this bid for acceptance.

By executing this Official Bid Form, the bidder represents and verifies that, solely for purposes of Chapter 2271 of the Texas Government Code, at the time of execution and delivery of its bid and through the Date of Delivery of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company¹ that boycotts or will boycott Israel. The term "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Additionally, by executing this Official Bid Form, the bidder also represents and certifies that, solely for purposes of Chapter 2252 of the Texas Government Code, at the time of execution and delivery of its bid, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company² (i) that engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) listed by the Texas Comptroller of Public Accounts under Section 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code. The undersigned agrees to execute, at the request of the District, further written certifications as may be necessary or convenient for the District to establish compliance with these laws.

Additionally, by executing this Official Bid Form, the bidder also represents and verifies that, solely for purposes of Chapter 2276 of the Texas Government Code, at the time of execution and delivery of its bid and through the Date of Delivery of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company¹ that boycotts or will boycott energy companies. The terms "boycotts energy companies" and "boycott energy companies" as used in this paragraph have the meaning assigned to the term "boycott energy company" in Section 809.001 of the Texas Government Code, as amended.

Additionally, by executing this Official Bid Form, the bidder also represents and verifies that, solely for purposes of Chapter 2274 of the Texas Government Code, at the time of execution and delivery of its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company¹ that has a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association or will discriminate against a firearm entity or firearm trade association. The term "discriminates against a firearm entity or firearm trade association" as used in this paragraph has the meaning assigned to the term "discriminate against a firearm entity or firearm trade association" in Section 2274.001(3) of the Texas Government Code.

¹ "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit, but does not mean a sole proprietorship.

² "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

Notwithstanding anything contained herein, the bidder agrees that liability for breach of verification of the statutory representations and covenants provided above as required by Chapters 2252, 2271, 2274, and 2276 of the Texas Government Code during the term of this contract shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of the contract.

By submitting a bid, bidder makes and certifies to the representations necessary and convenient for the compliance with the aforementioned laws and, at the request of District, agrees to execute further written certifications as may be necessary or convenient for District to establish compliance with the aforementioned laws.

Additionally, by executing this Official Bid Form, the bidder also represents and certifies that, the bidder and each syndicate member listed on the Official Bid Form will (i) preserve all contracting information related to the bid as provided by the records retention requirements applicable to the District through the Date of Delivery of the Bonds, (ii) promptly provide to the District any contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member on request of the District, and (iii) upon delivery of the Bonds to the bidder, either (a) provide at no cost to the District all contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member or (b) preserve the contracting information related to the bid as provided by the records retention requirements applicable to the District. The term "contracting information" as used in this paragraph has the meaning assigned to such term in Section 552.003 of the Texas Government Code.

The undersigned agrees to complete, execute, and deliver to the District, by the Date of Delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form accompanying the Official Notice of Sale.

We understand the sale of the Bonds has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; the Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. We hereby represent the sale of the Bonds in jurisdictions other than Texas will be made only pursuant to exemptions from registration or qualification and that where necessary, we will register or qualify the Bonds in accordance with the securities laws and regulations of the jurisdiction in which the Bonds are offered or sold.

We further understand that the District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement or other information concerning the District and the Bonds to anyone other than to us.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Name of Initial Purchaser

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Travis County Municipal Utility District No. 20, this the 14th day of May, 2024.

ATTEST:

Secretary, Board of Directors
Travis County Municipal Utility District No. 20

President, Board of Directors
Travis County Municipal Utility District No. 20

ISSUE PRICE CERTIFICATE – FEDERAL TAX COMPETITIVE BIDDING REQUIREMENTS MET

The undersigned hereby certifies as follows with respect to the sale of \$15,885,000 Travis County Municipal Utility District No. 20 Unlimited Tax Road Bonds, Series 2024 (the “Bonds”):

1. The undersigned is the purchaser or the manager of the syndicate of underwriters (the “Initial Purchaser”) that has purchased the Bonds from Travis County Municipal Utility District No. 20 (the “District”) at competitive sale.
2. The Initial Purchaser was not given the opportunity to review other bids prior to submitting its bid, and the bid submitted by the Initial Purchaser constituted a firm bid to purchase the Bonds.
3. As of the sale date, the reasonably expected initial offering prices of the Bonds to the public by the Initial Purchaser (expressed as a percentage of principal amount and exclusive of accrued interest) is as set forth below:

Maturity	Principal Amount	Offering Price	Maturity	Principal Amount	Offering Price
2025	\$ 345,000	%	2038	\$ 630,000	%
2026	360,000	%	2039	660,000	%
2027	380,000	%	2040	690,000	%
2028	395,000	%	2041	725,000	%
2029	415,000	%	2042	760,000	%
2030	435,000	%	2043	795,000	%
2031	455,000	%	2044	830,000	%
2032	475,000	%	2045	870,000	%
2033	500,000	%	2046	915,000	%
2034	525,000	%	2047	955,000	%
2035	545,000	%	2048	1,000,000	%
2036	575,000	%	2049	1,050,000	%
2037	600,000	%			

4. The Initial Purchaser [has] [has not] purchased bond insurance for the Bonds. The bond insurance has been purchased from _____ (the “Insurer”) for a fee of \$ _____ (net of any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer’s commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arms-length charge for the transfer of credit risk. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that had not been earned.

5. The term “public” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party to an underwriter. A related party generally means two or more persons with greater than 50 percent common ownership, directly or indirectly.

6. Sale date means the first date on which there is a binding contract in writing for the sale of the Bonds. The sale date of the Bonds is May 14, 2024.

The undersigned understands that the statements made herein will be relied upon by the District and Allen Boone Humphries Robinson LLP in complying with the conditions imposed by the Internal Revenue Code of 1986, as amended, on the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

EXECUTED and DELIVERED this _____ day of _____, 2024.

Name of Initial Purchaser or Manager

By: _____

Title: _____

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ISSUE PRICE CERTIFICATE – FEDERAL TAX COMPETITIVE BIDDING REQUIREMENTS NOT MET

The undersigned hereby certifies as follows with respect to the sale of \$15,885,000 Travis County Municipal Utility District No. 20 Unlimited Tax Road Bonds, Series 2024 (the “Bonds”):

1. The undersigned is the purchaser or the manager of the syndicate of purchasers (the “Initial Purchaser”) that has purchased the Bonds from Travis County Municipal Utility District No. 20 (the “District”).

2. As of the date of this Certificate, for each of the following maturities (the “Sold Maturities”), the first price at which a substantial amount (at least ten percent) of such maturity was sold to the public (expressed as a percentage of principal amount and exclusive of accrued interest) is set forth below:

Maturity	Principal Amount	Offering Price	Maturity	Principal Amount	Offering Price
2025	\$ 345,000	%	2038	\$ 630,000	%
2026	360,000	%	2039	660,000	%
2027	380,000	%	2040	690,000	%
2028	395,000	%	2041	725,000	%
2029	415,000	%	2042	760,000	%
2030	435,000	%	2043	795,000	%
2031	455,000	%	2044	830,000	%
2032	475,000	%	2045	870,000	%
2033	500,000	%	2046	915,000	%
2034	525,000	%	2047	955,000	%
2035	545,000	%	2048	1,000,000	%
2036	575,000	%	2049	1,050,000	%
2037	600,000	%			

3. As of the sale date for the Bonds, each of the following maturities (the “Unsold Maturities”) was offered to the public for purchase at the price (expressed as a percentage of principal amount and exclusive of accrued interest) set forth below:

Maturity	Principal Amount	Offering Price	Maturity	Principal Amount	Offering Price
2025	\$ 345,000	%	2038	\$ 630,000	%
2026	360,000	%	2039	660,000	%
2027	380,000	%	2040	690,000	%
2028	395,000	%	2041	725,000	%
2029	415,000	%	2042	760,000	%
2030	435,000	%	2043	795,000	%
2031	455,000	%	2044	830,000	%
2032	475,000	%	2045	870,000	%
2033	500,000	%	2046	915,000	%
2034	525,000	%	2047	955,000	%
2035	545,000	%	2048	1,000,000	%
2036	575,000	%	2049	1,050,000	%
2037	600,000	%			

4. As set forth in the Notice of Sale, the Initial Purchaser has agreed in writing that, for each of the Unsold Maturities, the Initial Purchaser would neither offer nor sell any of the Bonds of such maturity to any person at a price that is higher than the initial offering price for each maturity, as set forth in the pricing wire or equivalent communication for the Bonds attached to this Certificate, during the Offering Period for such maturity, nor would the Initial Purchaser permit a related party to do so. Pursuant to such agreement, the Initial Purchaser has neither offered nor sold any of the Unsold Maturities at a price higher than the respective initial offering price for that maturity of the Bonds during the Offering Period.

5. The Initial Purchaser [has] [has not] purchased bond insurance for the Bonds. The bond insurance has been purchased from _____ (the "Insurer") for a fee of \$_____ (net of any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arms-length charge for the transfer of credit risk. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that had not been earned.

6. The term "public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party to an underwriter. A related party generally means two or more persons with greater than 50 percent common ownership, directly or indirectly.

7. Sale date means the first date on which there is a binding contract in writing for the sale of the Bonds. The sale date of the Bonds is May 14, 2024.

8. Offering Period means, with respect to an Unsold Maturity, the period beginning on the sale date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the Initial Purchaser has sold at least 10 percent of such Unsold Maturity to the public at a price that is no higher than the initial offering price for such Unsold Maturity.

The undersigned understands that the statements made herein will be relied upon by the District and Allen Boone Humphries Robinson LLP in complying with the conditions imposed by the Internal Revenue Code of 1986, as amended, on the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

EXECUTED and DELIVERED this _____ day of _____, 2024.

Name of Initial Purchaser or Manager

By: _____

Title: _____

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 11, 2024

This Preliminary Official Statement is subject to completion and amendment and is intended solely for the purpose of soliciting initial bids on the Bonds. Upon the sale of the Bonds, the Official Statement will be completed and delivered to the Initial Purchaser.

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

NEW ISSUE – Book Entry Only

**Rating: Moody's "Baa3"/Underlying
See "MUNICIPAL BOND
INSURANCE AND RATING" herein**

\$15,885,000

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20

(A political subdivision of the State of Texas located within Travis County)

UNLIMITED TAX ROAD BONDS, SERIES 2024

Dated: June 1, 2024

Due: September 1, as shown on the inside cover page

Interest Accrual Date: Date of Delivery (defined below)

Principal of the above described bonds (the "Bonds") will be payable at stated maturity or redemption upon presentation of the Bonds at the principal payment office of the paying agent/registrar, initially UMB Bank, N.A. (the "Paying Agent/Registrar"), in Austin, Texas. Interest on the Bonds will accrue from the initial date of delivery (expected on June 13, 2024) (the "Date of Delivery") and be payable on March 1, 2025 and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. The Bonds will be issued only in fully registered form in denominations of \$5,000 each or integral multiples thereof. Interest will be calculated on the basis of a 360 day year of twelve 30 day months. The Bonds are subject to redemption prior to maturity as shown on the inside cover page.

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

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

The Bonds, when issued, will constitute valid and legally binding obligations of Travis County Municipal Utility District No. 20 (the "District") and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Travis County, the City of Leander or any entity other than the District. The Bonds are subject to special investment considerations described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered by the Initial Purchaser subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Bond Counsel. Certain legal matters will be passed on for the District by Norton Rose Fulbright US LLP, Austin, Texas, as Disclosure Counsel. Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about June 13, 2024.

**Bids Due: Tuesday, May 14, 2024, at 10:00 A.M., CDT
Bid Award: Tuesday, May 14, 2024, at 12:30 P.M., CDT**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

<u>Due</u> <u>Sept. 1</u>	<u>Principal</u> <u>Amount^(a)</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Reoffering</u> <u>Yield^(b)</u>	<u>CUSIP</u> <u>Number^(c)</u>	<u>Due</u> <u>Sept. 1</u>	<u>Principal</u> <u>Amount^(a)</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Reoffering</u> <u>Yield^(b)</u>	<u>CUSIP</u> <u>Number^(c)</u>
2025	\$ 345,000				2038	\$ 630,000 ^(d)			
2026	360,000				2039	660,000 ^(d)			
2027	380,000				2040	690,000 ^(d)			
2028	395,000				2041	725,000 ^(d)			
2029	415,000				2042	760,000 ^(d)			
2030	435,000				2043	795,000 ^(d)			
2031	455,000				2044	830,000 ^(d)			
2032	475,000				2045	870,000 ^(d)			
2033	500,000				2046	915,000 ^(d)			
2034	525,000				2047	955,000 ^(d)			
2035	545,000 ^(d)				2048	1,000,000 ^(d)			
2036	575,000 ^(d)				2049	1,050,000 ^(d)			
2037	600,000 ^(d)								

(a) The Initial Purchaser (as defined herein) may elect to designate one or more term bonds. See accompanying Official Notice of Sale and Official Bid Form.

(b) Initial reoffering yield represents the initial offering yield to the public which has been established by the Initial Purchaser for offers to the public and which may be subsequently changed by the Initial Purchaser and is the sole responsibility of the Initial Purchaser. The initial reoffering yields indicated above represent the lower of the yields resulting when priced at maturity or to the first call date.

(c) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the purchasers of the Bonds. None of the District, the Financial Advisor or the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.

(d) Bonds maturing on and after September 1, 2035, are subject to redemption prior to maturity at the option of the District, in whole or in part, on September 1, 2034, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions."

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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023	

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended and in effect on the date hereof, this document constitutes an “official statement” with respect to the Bonds that has been “deemed final” by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

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

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

All of the summaries of the statutes, resolutions, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Allen Boone Humphries Robinson LLP, 919 Congress Avenue, Suite 1500, Austin, Texas 78701, upon payment of duplication costs.

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

OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement.

THE FINANCING

The Issuer Travis County Municipal Utility District No. 20 (the “District”), a political subdivision of the State of Texas, is located in Travis County, Texas. See “THE DISTRICT.”

The Issue \$15,885,000 Unlimited Tax Road Bonds, Series 2024 (the “Bonds”) are issued pursuant to a resolution (the “Bond Resolution”) of the District’s Board of Directors. The Bonds will be issued as fully registered bonds maturing in the years and in the amounts shown on the cover hereof. Interest on the Bonds accrues from the Date of Delivery (expected to be June 13, 2024), at the rates shown on the inside cover page hereof, and is payable on March 1, 2025, and on each September 1 and March 1 thereafter until the earlier of maturity or prior redemption.

The Bonds maturing on and after September 1, 2035, are subject to redemption, in whole or in part, at the option of the District, prior to their maturity dates, on September 1, 2034, or on any date thereafter. Upon redemption, the Bonds will be payable at a price of par plus accrued interest to the date of redemption. See “THE BONDS – Redemption Provisions.”

Source of Payment The Bonds are payable from an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District (see “TAX PROCEDURES”). The Bonds are obligations of the District and are not obligations of the State of Texas, Travis County, the City of Leander or any other political subdivision or agency other than the District. See “THE BONDS – Source of and Security for Payment.”

Use of Proceeds Proceeds from sale of the Bonds will be used, in part, to reimburse the Developer (as hereinafter defined) for the construction costs shown herein under “USE AND DISTRIBUTION OF BOND PROCEEDS.” Bond proceeds will also be used to capitalize twelve months of interest on the Bonds, to pay developer interest, and to pay certain costs associated with the issuance of the Bonds.

Payment Record The District has previously issued four series of unlimited tax bonds, of which \$22,540,000 principal amount was outstanding as of March 1, 2024 (the “Outstanding Bonds”). The District has never defaulted in the payment of principal and interest on its previously issued bonds.

Municipal Bond Rating and Insurance Moody’s Investors Service (“Moody’s”) has assigned an underlying, uninsured rating to the District of “Baa3.” The fee associated with the rating assigned to the District by Moody’s will be paid by the District; however, the fee associated with ratings provided by other agencies will be at the expense of the Initial Purchaser.

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The purchase of municipal bond insurance, if available, will be at the option and expense of the Initial Purchaser. See “INVESTMENT CONSIDERATIONS – Bond Insurance Risk Factors” and “MUNICIPAL BOND INSURANCE AND RATING.”

Legal Opinion Allen Boone Humphries Robinson LLP, Bond Counsel, Austin, Texas.

Financial Advisor Specialized Public Finance Inc., Austin, Texas.

Disclosure Counsel Norton Rose Fulbright US LLP, Austin Texas.

EngineerPape-Dawson Engineers, Inc., Austin, Texas.

Paying Agent/RegistrarUMB Bank, N.A., Austin, Texas.

Investment considerationsThe purchase and ownership of the Bonds are subject to special investment considerations and all prospective purchasers are urged to examine carefully the entire Official Statement for a discussion of investment risks, including particularly the section captioned “INVESTMENT CONSIDERATIONS.”

THE DISTRICT

Description.....The District was created by order of the Texas Commission on Environmental Quality (the “Commission” or “TCEQ”), dated March 7, 2013. The District presently contains approximately 714 acres of land after an annexation of approximately 93 acres of land and exclusion of approximately 134 acres of land in August 2017. The District has accepted a petition for the annexation of an additional 8.04 acres but has yet to complete the annexation process. The District is comprised of two non-contiguous tracts of land located entirely within Travis County and within the city limits of the City, which City is located approximately 25 miles northwest of the central business district of the City of Austin, Texas. The District lies wholly within the corporate limits of the City.

Status of Development.....The District is being developed primarily for single family residential purposes by Travisso, Ltd. (the “Developer”), a Texas limited partnership, as Travisso. Water, sanitary sewer, and drainage facilities have been constructed to serve Travisso, Phase 3, Sections 4 through 8 and Travisso, Phase 5, Sections 1 and 2 (consisting of approximately 208 acres of land developed into 491 single-family residential lots). As of March 1, 2024, the District contained 477 single-family homes completed and occupied, 11 single-family homes completed and not occupied, 3 single-family homes in various stages of construction, and no developed lots available to new home construction. Builders in the District include Taylor Morrison Toll Brothers, and Drees Custom Homes. New homes in the District range in offering prices from approximately \$650,000 to over \$2,000,000.

In addition to the development described above, the District contains approximately 315 acres of developable land which are not provided with underground water, sanitary sewer and drainage facilities. Substantially all of such acreage is owned by the Developer. Approximately 191 acres of land are contained in drainage and detention easements and recreational and open space areas. See “THE DISTRICT – Status of Development.”

The Developer.....The Developer was created for the sole purpose of developing Travisso and its only substantial asset consists of the land in Travisso. The general partner of the Developer is TMC Travisso GP, LLC, a Texas limited liability company, and its limited partners are TMC Travisso LP, LLC, a Texas limited liability company, and Toll Austin TX, LLC, a Texas limited liability company. TMC Travisso GP, LLC and TMC Travisso LP, LLC are wholly owned by Taylor Morrison Home Corp., a publicly held company, the stock of which is listed on the New York Stock Exchange. Toll Texas is wholly owned by Toll Brothers Inc, a publicly held company, the stock of which is listed on the New York Stock Exchange.

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SELECTED FINANCIAL INFORMATION

2023 Taxable Assessed Valuation.....	\$331,283,001 ^(a)
Estimated Taxable Assessed Valuation as of October 1, 2023.....	\$438,345,412 ^(b)
Gross Direct Debt Outstanding (after the issuance of the Bonds).....	\$38,425,000
Estimated Overlapping Debt	<u>9,047,302^(c)</u>
Gross Direct Debt and Estimated Overlapping Debt.....	\$47,472,302
Ratio of Gross Direct Debt to 2023 Taxable Assessed Valuation.....	11.60%
Ratio of Gross Direct Debt to Estimated Taxable Assessed Valuation as of October 1, 2023.....	8.77%
Ratio of Gross Direct Debt and Estimated Overlapping Debt to 2023 Taxable Assessed Valuation.....	14.33% ^(c)
Ratio of Gross Direct Debt and Estimated Overlapping Debt to Estimated Taxable Assessed Valuation as of October 1, 2023.....	10.83% ^(c)
Funds Available for Debt Service as of April 11, 2024	
Debt Service Funds	\$1,678,049
Capitalized Interest from Bond Proceeds	<u>754,538^(d)</u>
Total Funds Available for Debt Service.....	\$2,432,587
Funds Available in Operating Fund as of April 11, 2024.....	\$482,605
Funds Available in Capital Projects Fund as of April 11, 2024	\$1,052,392
2023 District Tax Rate:	
Debt Service	\$0.230
Maintenance and Operations	<u>0.165</u>
Total	\$0.395/\$100 A.V.
2023 City of Leander Tax Rate ^(e)	\$0.417282/\$100 A.V.
Projected Average Annual Debt Service Requirements (2024-2049) ("Average Requirement").....	\$2,450,622
Tax rate required to pay Average Requirement based upon	
2023 Taxable Assessed Valuation at a 95% collection rate	\$0.78/\$100A.V. ^(f)
Estimated Taxable Assessed Valuation as of October 1, 2023 at a 95% collection rate	\$0.59/\$100A.V. ^(f)
Status of home construction as of March 1, 2024:	
Single-family residential – completed and occupied.....	477
Single-family residential – completed and unoccupied.....	11
Single-family residential – under construction.....	<u>3</u>
Total	491
Area of District – 714 acres ^(g)	
Estimated 2024 Population – 1,670 ^(h)	

(a) As certified by the Travis Central Appraisal District (the "Appraisal District"). See "TAX PROCEDURES."

(b) As estimated by the Appraisal District as of October 1, 2023 for informational purposes only. Such amount reflects an estimate of the taxable land and improvements value within the District on October 1, 2023. This estimate has no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year. Consequently, this estimate will not be used to produce tax revenue for the District. See "TAX PROCEDURES."

(c) See "ESTIMATED OVERLAPPING DEBT STATEMENT" herein.

(d) The District will capitalize twelve (12) months of interest from Bond proceeds. Neither the Bond Resolution nor Texas law requires that the District maintain any particular balance in the Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

(e) See "ESTIMATED OVERLAPPING DEBT STATEMENT – Overlapping Tax Rates for 2023."

(f) Pursuant to the Facilities Agreement between the District and the City, the City is obligated to pay annually a sum to the District in the form of a "Tax Rebate" as defined in the Facilities Agreement. The City Tax Rebate is \$0.2371 per \$100 assessed valuation. See "THE DISTRICT – Facilities Agreement." The District currently intends to apply the Tax Rebate to pay debt service on the Bonds but such revenue is not pledged to the payment of the Bonds and, therefore, is not included in the calculation of the tax rate requirements.

(g) The District has accepted a petition for the annexation of an additional 8.04 acres but has yet to complete the annexation process.

(h) Estimate based on 3.5 persons per occupied home.

PRELIMINARY OFFICIAL STATEMENT

\$15,885,000

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20

(A political subdivision of the State of Texas located within Travis County)

UNLIMITED TAX ROAD BONDS

SERIES 2024

This Official Statement provides certain information in connection with the issuance by Travis County Municipal Utility District No. 20 (the “District”) of its \$15,885,000 Unlimited Tax Road Bonds, Series 2024 (the “Bonds”).

The Bonds are issued pursuant to the Texas Constitution, the general laws of the State of Texas, an election held in the District, a resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of Directors of the District (the “Board”).

This Official Statement includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District and Travisso, Ltd. (the “Developer”), the developer of land within the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from the District upon payment of the costs of duplication therefore.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of the final Official Statement pertaining to the Bonds will be filed by the Initial Purchaser with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System (“EMMA”). See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the District’s undertaking to provide certain information on a continuing basis.

Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the District c/o Allen Boone Humphries Robinson LLP, 919 Congress Avenue, Suite 1500, Austin, Texas, 78701 or from the District’s Financial Advisor, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas, 78746, upon payment of reasonable copying, mailing and handling charges.

THE BONDS

General

Following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolution of the Board authorizing the issuance and sale of the Bonds. The Bond Resolution authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds will be dated June 1, 2024 and will accrue interest from the Date of Delivery (expected to be June 13, 2024), at the rates shown on the inside cover page hereof, and interest is payable on each March 1 and September 1 commencing March 1, 2025, until the earlier of maturity or prior redemption. The Bonds mature on September 1 in the amounts and years shown on the inside cover page of this Official Statement. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

Authority for Issuance

At a bond election held within the District on November 7, 2017, the voters of the District authorized the issuance of a total of \$65,465,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities and refunding bonds issued for such purpose. The Bonds are being issued pursuant to such authorization. See “Issuance of Additional Debt” below.

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution, Article III, Section 52 of the Texas Constitution, Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended.

Before the Bonds can be issued, the Attorney General of Texas must find that the Bonds have been authorized to be issued in conformity with State law and issue its approving opinion. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this Official Statement.

Source of and Security for Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants in the Bond Resolution to levy an annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District sufficient to pay the principal of and interest on the Bonds, with full allowance being made for delinquencies and costs of collection.

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

Funds

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

The District also maintains a Water, Sewer, and Drainage Debt Service Fund that is not pledged to Road Bonds, including the Bonds. Funds in the Road Debt Service Fund are not available to pay principal and interest on the outstanding Water, Sewer, and Drainage Bonds and funds in the Water, Sewer, and Drainage Debt Service Fund are not available to pay principal and interest on the Road Bonds, including the Bonds.

Twelve months of capitalized interest on the Bonds shall be deposited into the Debt Service Fund upon receipt. The remaining proceeds from sale of the Bonds, including interest earnings thereon, shall be deposited into the Capital Projects Fund and used to fund certain construction costs and pay the costs of issuing the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a more complete description of the use of Bond proceeds.

No Arbitrage

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

Record Date

The record date for determining to whom is owed payment of the interest on any regularly scheduled interest payment date is defined as the 15th day of the month (whether or not a business day) preceding such interest payment date.

Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2035, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000, on September 1, 2034, or on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of Bonds to be redeemed shall be selected by the District. If fewer than all the Bonds of any maturity are redeemed at any time, the particular

Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar (hereinafter defined) by lot or other customary method of random selection (or by DTC (hereinafter defined) in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the register. Such notices shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment and, if fewer than all the Bonds outstanding within any one maturity are to be redeemed, the numbers of the Bonds or the portions thereof to be redeemed. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest that would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Registration and Transfer

UMB Bank, N.A. in Austin, Texas is the initial paying agent/registrar (the “Paying Agent/Registrar,” “Paying Agent” or “Registrar”) for the Bonds. So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution. While the Bonds are in the Book-Entry-Only System, the Bonds will be registered in the name of Cede & Co. and will not be transferred. See “BOOK-ENTRY-ONLY SYSTEM.”

Replacement of Paying Agent/Registrar

Provision is made in the Bond Resolution for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a national or state banking institution, a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state authority, to act as Paying Agent/Registrar for the Bonds.

Issuance of Additional Debt

After issuance of the Bonds, the District will have \$49,580,000 principal amount of authorized but unissued unlimited tax bonds for road facilities and refunding of such bonds, and \$180,060,000 principal amount of authorized but unissued unlimited tax bonds for water, sanitary sewer and drainage facilities and refunding of such bonds, and \$23,985,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of constructing parks and refunding, and the District may issue additional bonds which may be voted hereafter. The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District’s voters or the amount ultimately issued by the District. See “THE SYSTEM – Future Debt.”

Before the District could issue park bonds payable from taxes, the District must get the approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not greater than three percent of the value of the taxable property in the District.

The District is also authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) amendments to the existing City ordinances specifying the purposes for which the District may issue bonds; (b) authorization of a detailed fire plan and bonds for such purpose by the qualified voters in the District; (c) approval of the fire plan by the TCEQ; and (d) approval of bonds by the Attorney General of Texas. It is not anticipated at this time that bonds will be issued by the District for fire-fighting purposes.

Abolishment by the City of Leander

Under existing Texas law, because the District lies wholly within the corporate limits of the City, the District may be abolished by the City without the District's consent. If the District is abolished, the City will assume the District's assets and obligations (including the Bonds) and abolish the District within ninety (90) days. Abolishment of the District by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that abolishment will or will not occur or as to the ability of the City to make debt service payments on the Bonds should abolishment occur.

Pursuant to the Facilities Agreement between the District and the City (see "THE DISTRICT – Facilities Agreement"), the City has agreed to not abolish the District until the District has issued bonds to pay certain costs of facilities.

Remedies in Event of Default

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

General

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

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates

the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Rating rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent/Registrar, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent/Registrar. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent/Registrar's DTC account.

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

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

THE DISTRICT

General

The District is a municipal utility district created by order of the TCEQ on March 7, 2013 and operates under the provisions of Chapters 49 and 54 of the Texas Water Code, as amended, and other general statutes applicable to municipal utility districts. The District is located wholly within the corporate limits of the City and within the boundaries of Leander Independent School District.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also empowered to establish parks and recreational facilities for the residents of the District, to construct certain streets and roads, to contract for or employ its own peace officers and, after approval by the Commission, the City, and the voters of the District, to establish, operate, and maintain fire-fighting facilities. See “THE BONDS – Issuance of Additional Debt.”

The Commission exercises continuing supervisory jurisdiction over the District. The District is required to observe certain requirements of the City which limit the purposes for which the District may sell bonds to the acquisition, construction, and improvement of waterworks, wastewater, and drainage facilities, roads, and parks and recreational facilities, and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of District construction plans of certain improvements; and permit connections only to platted lots and reserves which have been approved by the City. Construction and operation of the District’s drainage system are subject to the regulatory jurisdiction of additional government agencies. See “THE SYSTEM.”

Location

The District contains approximately 714 acres of land after an annexation of approximately 93 acres of land and exclusion of approximately 134 acres of land in August 2017. The District has accepted a petition for the annexation of an additional 8.04 acres but has yet to complete the annexation process. The District is comprised of two non-contiguous tracts of land located entirely within Travis County and within the city limits of the City, which City is located approximately 25 miles northwest of the central business district of the City of Austin, Texas.

Facilities Agreement

All land in the District is located within the corporate limits of the City. The City and the District have entered into the Facilities Agreement, dated July 20, 2012, as amended, which obligates the District to acquire, construct and extend water, wastewater and storm drainage facilities (the “System”) to serve land in the District and, when completed in accordance with plans and specifications approved by the City, to convey title to such utility facilities to the City. The City will then operate and maintain such facilities, and be responsible for establishing water and sewer rates and collection charges for water and sewer service from District customers. The City also levies and collects ad valorem taxes on taxable property within the District just as it does with any other property located in the City. Pursuant to the Facilities Agreement with the District, the City has agreed to rebate to the District \$0.2371 per \$100 of Assessed Valuation of City taxes collected on taxable property within the District (the “Tax Rebate”). Pursuant to the Facilities Agreement, the City agrees to pay a portion of such City taxes collected upon taxable property within the District beginning with taxes collected for the 2021 tax year, the District’s initial year of a debt service tax levy, and continuing each year thereafter until tax year 2056 or the date that the sum of the Tax Rebate payments equals the reimbursable costs due to the Developer. Thereafter, the City’s payment obligation shall cease and the City shall not pay any portion of City taxes to the District. The amount of rebate payment will vary with changes in the District’s appraised valuation. Consequently, the amounts subject to rebate by the City under the formula will vary from year to year. Any significant reduction in the amount of the tax rebate could increase the District’s rate of taxation. Also, pursuant to the Facilities Agreement, if the District’s annual debt service requirements of its outstanding bonds should decrease for three (3) consecutive years and the District has issued all of its authorized unlimited tax bonds, the Tax Rebate shall be reduced by an amount equal to the decrease in the District’s annual debt service requirements.

The District and the City recognize that the District will levy its own annual ad valorem tax to secure additional funds for payment of the Bonds and any additional bonds.

The District has agreed to extend the System to serve future users as necessary so that ultimately all landowners in the District will be in a position to receive services from the System; however, the District’s obligation to extend the System is conditioned upon continued development within the District, the City’s performance under the provisions of the Facilities Agreement, satisfaction of certain determinations of economic feasibility by the Board of the District and the TCEQ, and TCEQ approval and the ability of the District to sell bonds.

Status of Development

The District is being developed primarily for single family residential purposes by the Developer as Travisso. Water, sanitary sewer, and drainage facilities have been constructed to serve Travisso, Phase 3, Sections 4 through 8 and Travisso, Phase 5, Sections 1 and 2 (consisting of approximately 208 acres of land developed into 491 single-family residential lots).

Construction of homes is being conducted by three builders: Taylor Morrison, Toll Brothers, and Drees Custom Homes. New homes in the District range in offering prices from approximately \$650,000 to over \$2,000,000. Construction of homes began in the District in 2019, and as of March 1, 2024, the District contained 491 single family homes completed or under construction as shown below:

Status of home construction as of March 1, 2024:

Single-family residential – completed and occupied.....	477
Single-family residential – completed and unoccupied.....	11
Single-family residential – under construction.....	<u>3</u>
Total	491

In addition to the development described above, the District contains approximately 315 acres of developable land which are not provided with underground water, sanitary sewer and drainage facilities. Substantially all of such acreage is owned by the Developer. Approximately 191 acres of land are contained in drainage and detention easements and recreational and open space areas. The District has accepted a petition for the annexation of an additional 8.04 acres but has yet to complete the annexation process.

MANAGEMENT

Board of Directors

The District is governed by the Board, consisting of five directors, which has control over and management supervision of all affairs of the District. None of the directors listed below reside within the District; however, each director owns land within the District. Directors are elected by the voters within the District for four-year staggered terms. Directors elections are currently held in May only in even numbered years. The directors and officers of the District are listed below:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Samuel G. Billings ^(a)	President	May 2024
Chandler Ludwick	Vice President	May 2026
Chris L. Fields ^(a)	Assistant Vice President/Assistant Secretary	May 2024
Matthew Tiemann ^(a)	Secretary	May 2024
J.D. Hale	Assistant Secretary	May 2026

(a) Directors Billings, Fields and Tiemann’s terms expire May 4, 2024. The Directors were uncontested in the 2024 Director Election and were re-appointed to their position, with their successive term expiring on May 6, 2028.

While the District does not employ any full time employees, it has contracted for certain services as follows:

Tax Assessor/Collector

Land and improvements within the District are appraised for ad valorem taxation purposes by the Travis Central Appraisal District (“Appraisal District”). The District’s Tax Assessor/Collector is contracted with by the Board of the District, and the District has contracted with the Travis County Tax Assessor/Collector to serve in this capacity for the District.

Bookkeeper

The District has engaged Bott & Douthitt PLLC to serve as the District’s bookkeeper (the “Bookkeeper”).

Engineer

The consulting engineer for the District in connection with the design and construction of the District’s facilities is Pape-Dawson Engineers, Inc. (the “Engineer”).

Special Engineer for the Bonds

The District contracted with Jones-Heroy & Associates, Inc. for preparation of the bond application related to this bond issue.

Attorney

The District engages Allen Boone Humphries Robinson LLP as general counsel and as bond counsel in connection with the issuance of the Bonds. The legal fees to be paid bond counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds.

Disclosure Counsel

Norton Rose Fulbright US LLP, Austin, Texas has been engaged by the District to serve as Disclosure Counsel. Fees for services rendered by Disclosure Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

Financial Advisor

Specialized Public Finance Inc. (the “Financial Advisor”) serves as financial advisor to the District. The fees to be paid the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds.

Auditor

The District’s financial statements for the year ended September 30, 2023, were audited by McCall Gibson Swedlund Barfoot PLLC. See APPENDIX A for a copy of the District’s September 30, 2023 audited financial statements.

THE DEVELOPER

Role of a Developer

In general, the activities of a landowner or developer in a municipal utility district such as the District include designing the project; defining a marketing program and setting building schedules; securing necessary governmental approvals and permits for development; arranging for the construction of roads and the installation of utilities; and selling or leasing improved tracts or commercial reserves to other developers or third parties. In some instances, a landowner or developer will be required by the Commission to pay thirty percent (30%) of the cost of placing the water distribution, wastewater collection, and storm drainage facilities in a district, exclusive of water supply and storage and wastewater treatment plants of which the district incurs one hundred percent (100%) of the cost. While a developer is required by the Commission to pave streets (in areas where District facilities are being financed with bonds), a developer is under no obligation to a district to undertake development activities according to any particular plan or schedule. Furthermore, there is no restriction on a developer’s right to sell any or all of the land which the developer owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

Travisso, Ltd.

The Developer was created for the sole purpose of developing Travisso and its only substantial asset consists of the land in Travisso. The general partner of the Developer is TMC Travisso GP, LLC, a Texas limited liability company, and its limited partners are TMC Travisso LP, LLC, a Texas limited liability company, and Toll Austin TX, LLC, a Texas limited liability company.

TMC Travisso GP, LLC and TMC Travisso LP, LLC are wholly owned by Taylor Morrison Home Corp., a publicly held company, the stock of which is listed on the New York Stock Exchange. Toll Texas is wholly owned by Toll Brothers Inc., a publicly held company, the stock of which is listed on the New York Stock Exchange. Taylor Morrison Home Corp. and Toll Brothers Inc. are subject to the information requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the Securities and Exchange Commission.

The Developer has financed the development of the District with a development loan provided by Third Coast Bank with a maturity date of February 24, 2026. The development loan allows for annual extension options. The loan was paid down at the end of 2023 and the balance as of March 1, 2024 is \$0. The loan is secured by, among other criteria, a first lien deed of trust upon property within the District.

THE SYSTEM

Regulation

According to the Engineer, the District's water supply and distribution, wastewater collection, and storm drainage facilities (collectively, the "System") have been designed in accordance with accepted engineering practices and the then current requirements of various entities having regulatory or supervisory jurisdiction over the construction and operation of such facilities. The construction of the System was required to be accomplished in accordance with the standards and specifications of such entities and is subject to inspection by each such entity. The City operates and maintains the water and sewer system within the District. The regulations and requirements of entities exercising regulatory jurisdiction over the System are subject to further development and revision which, in turn, could require additional expenditures by the District in order to achieve compliance. In particular, additional or revised requirements in connection with any permit for the wastewater treatment plant in which the District owns capacity beyond the criteria existing at the time of construction of the plant could result in the need to construct additional facilities in the future. The following descriptions are based upon information supplied by the District's Engineer.

Water, Sanitary Sewer and Drainage Facilities

Construction of the water, sanitary sewer, and drainage facilities to serve the District have been financed with funds advanced by the Developer. Certain of such advances have been reimbursed to the Developer from previously issued bonds of the District. It is expected that proceeds from sale of future issues of District bonds will be used to reimburse the Developer for certain of the advances.

Source of Water Supply: The District is provided water supply by the City. The City is a participant in the Brushy Creek Regional Utility Authority water treatment plant and has access for up to 7.94 million gallons per day ("MGD"). The City also has a 2.5 million gallon elevated storage tank at the water treatment plant site. The Developer has constructed a booster pump station and a 24-inch water transmission main from the elevated storage tank to the Travisso development.

Source of Wastewater Treatment: The District receives wastewater treatment from the City. The Developer has financed the construction of the first phase of a new wastewater treatment plant with capacity of 250,000 gallons per day along with effluent storage, pumping, and irrigation disposal facilities. A portion of the proceeds from the sale of the Outstanding Bonds were used to reimburse the Developer for the District's pro rata share of the construction costs for such facilities.

100-Year Flood Plain: According to the Engineer, approximately 17 acres of land in the District are located within the 100-year floodplain, as per approved Federal Insurance Rate Map letter of map revision dated September 2008. Substantially all of the land within the 100-year floodplain is located within the drainage ditches and other drainage facilities.

Future Debt

The Developer has financed or is financing the engineering and construction costs of underground utilities to serve the District, as well as certain other District improvements. After reimbursement from sale of the Bonds, the Developer will have expended approximately \$5,444,987 (as of April 15, 2024) for design, construction and acquisition of District utilities not yet reimbursed. It is anticipated that proceeds from future issues of District bonds will be used, in part, to reimburse the Developer for these costs to the extent allowed by the Commission. Additionally, the District contains approximately 315 acres of developable land, all of which is owned by the Developer, not presently served with water distribution, wastewater collection and storm drainage facilities. It is anticipated that additional bonds will be issued to finance the construction of these facilities to serve this undeveloped acreage. The District can make no representation that any additional development will occur within the District. The Engineer has stated that the District's authorized but unissued bonds will be adequate, under present land use projections, to finance such improvements. See "INVESTMENT CONSIDERATIONS – Future Debt."

THE ROAD SYSTEM

All roadways and associated improvements are designed and constructed in accordance with City standards, rules, and regulations. Upon acceptance of roadway facilities, the City will be responsible for operation and maintenance thereof.

USE AND DISTRIBUTION OF BOND PROCEEDS

Proceeds from the sale of the Bonds will be used to fund construction costs set out below, pay twelve months of capitalized interest on the Bonds, and pay costs of issuance associated with the Bonds.

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

CONSTRUCTION RELATED COSTS

Travisso Section 1, Phase 1 Roads.....	\$485,527
Travisso Phase 2, Sections 1F, 1G, and 1H Roads	61,252
Travisso Phase 2, Sections 2A and 2B Roads.....	557,544
Travisso Phase 3, Sections 1 and 3 Roads	678,180
Travisso Phase 3, Section 4 Roads.....	1,097,583
Travisso Phase 3, Section 5 Roads.....	979,587
Travisso Phase 3, Sections 6 and 8 Roads	1,383,524
Travisso Phase 3, Section 7 Roads.....	310,173
Travisso Phase 4, Sections 4 and 5 Roads	325,099
Travisso Phase 4, Section 6 Roads.....	109,740
Travisso Phase 5, Section 1 Roads.....	3,879,524
Travisso Phase 5, Section 2 Roads.....	288,361
Engineering and Testing	337,412
Land Costs - ROW	<u>1,602,027</u>
Total Construction Costs.....	\$12,095,534

NON-CONSTRUCTION COSTS

Bond Discount	\$476,550
Capitalized Interest (12 months)	754,538
Interest on Construction Costs (Estimated).....	<u>1,790,661</u>
Total Non-Construction Costs	\$3,021,749

ISSUANCE COSTS AND FEES

Issuance Costs and Professional Fees	\$727,332
Bond Report Costs	30,885
State Regulatory Fees	<u>9,500</u>
Total Issuance Costs and Fees.....	\$767,717

TOTAL BOND ISSUE REQUIREMENT \$ 15,885,000

UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued to Date</u>	<u>Amount Unissued</u>
11/7/2017	Water, Sanitary Sewer and Drainage and Refunding	\$202,870,000	\$22,810,000	\$180,060,000
11/7/2017	Park Bonds and Refunding	\$23,985,000	\$0	\$23,985,000
11/7/2017	Road Bonds and Refunding	\$65,465,000	\$15,885,000 ^(a)	\$49,580,000

(a) Includes the Bonds.

FINANCIAL STATEMENT

2023 Taxable Assessed Valuation.....	\$331,283,001 ^(a)
Estimated Taxable Assessed Valuation as of October 1, 2023.....	\$438,345,412 ^(b)

District Debt:

Outstanding Bonds (as of March 1, 2024).....	\$ 22,540,000
The Bonds	<u>15,885,000</u>
Gross Direct Debt Outstanding (after issuance of the Bonds).....	\$38,425,000

Ratio of Gross Direct Debt to 2023 Taxable Assessed Valuation.....	11.60%
Ratio of Gross Direct Debt to Estimated Taxable Assessed Valuation as of October 1, 2023.....	8.77%

Area of District – 714 acres^(c)
Estimated 2023 Population – 1,670^(d)

- (a) As certified by the Appraisal District. See “TAX PROCEDURES.”
- (b) As estimated by the Appraisal District as of October 1, 2023 for informational purposes only. Such amount reflects an estimate of the taxable land and improvements value within the District on October 1, 2023. This estimate has no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year. Consequently, this estimate will not be used to produce tax revenue for the District. See “TAX PROCEDURES.”
- (c) The District has accepted a petition for the annexation of an additional 8.04 acres but has yet to complete the annexation process.
- (d) Estimate based on 3.5 persons per occupied home.

Cash and Investment Balances (unaudited as of April 11, 2024)

Operating Fund	Cash and Temporary Investments	\$482,605
Water, Wastewater, and Drainage Capital Projects Fund	Cash and Temporary Investments	\$1,052,392
Water, Wastewater, and Drainage Debt Service Fund	Cash and Temporary Investments	\$1,678,049
Road Debt Service Fund	Cash and Temporary Investments	\$0 ^(a)

- (a) Twelve months of capitalized interest will be deposited into such fund from Bond proceeds (estimated amount \$754,538). Neither the Bond Resolution nor Texas law requires that the District maintain any particular balance in the Road Debt Service Fund.

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Outstanding Bonds (as of March 1, 2024)

<u>Series</u>	<u>Original Principal Amount</u>	<u>Principal Amount Outstanding as of March 1, 2024</u>
2020	\$ 2,500,000	\$ 2,375,000
2021	5,650,000	5,505,000
2022	8,000,000	8,000,000
2023	<u>6,660,000</u>	<u>6,660,000</u>
	\$22,810,000	\$22,540,000

ESTIMATED OVERLAPPING DEBT STATEMENT

Expenditures of the various taxing entities within the territory of the District are paid out of ad valorem taxes levied by such entities on properties within the District. Such entities are independent of the District and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in the "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of the overlapping Tax Debt of the District.

<u>Taxing Jurisdiction</u>	<u>Outstanding Bonds^(a)</u>	<u>As of</u>	<u>Overlapping</u>	
			<u>Percent</u>	<u>Amount</u>
Travis County	\$900,550,000	02/29/24	0.08%	\$ 720,440
Travis County Healthcare District.....	173,145,000	02/29/24	0.08%	138,516
Austin Community College District.....	562,445,000	02/29/24	0.05%	281,223
Leander Independent School District	1,347,933,738	02/29/24	0.40%	5,391,735
City of Leander.....	177,140,000	02/29/24	1.42%	<u>2,515,388</u>
Total Estimated Overlapping Debt				\$9,047,302
The District.....	\$38,425,000 ^(b)		100.00%	<u>38,425,000</u>
Total Direct and Estimated Overlapping Debt				\$47,472,302
Ratio of Total Direct and Estimated Overlapping Debt to				
2023 Taxable Assessed Valuation.....				14.33%
Estimated Taxable Assessed Valuation as of October 1, 2023.....				10.83%

(a) Includes principal amounts of current interest bonds and capital appreciation bonds. Capital appreciation bonds are shown at original principal amount as opposed to maturity value.

(b) Includes the Bonds.

Overlapping Tax Rates for 2023

	<u>2023 Tax Rate per \$100 Assessed Valuation</u>
Travis County	\$0.304655
Travis County Healthcare District	0.100692
Leander Independent School District	1.108700
City of Leander	0.417282
Austin Community College District	0.098600
The District	<u>0.395000</u>
Total Overlapping Tax Rate	\$2.424929

TAX DATA

Tax Collections

The following statement of tax collections sets forth in condensed form the historical tax collection experience of the District. This summary has been prepared for inclusion herein, based upon information from District records. Reference is made to these records for further and more complete information.

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>Total Collections as of 01/31/2024</u>	
				<u>Amount</u>	<u>Percent</u>
2019	\$ 8,890,736	\$0.365	\$30,215	\$30,215	100.00%
2020	30,564,805	0.365	113,582	113,582	100.00
2021	75,768,939	0.395	298,134	297,789	99.88
2022	176,182,253	0.395	710,750	710,216	99.93
2023	331,283,001	0.395	1,306,534	1,229,642	94.12

Taxes are due when billed and become delinquent if not paid before February 1 of the year following the year in which imposed. No split payments are allowed and no discounts are allowed.

Tax Rate Distribution

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Service	\$0.230	\$0.215	\$0.170	\$0.000	\$0.000
Maintenance and Operations	<u>0.165</u>	<u>0.180</u>	<u>0.225</u>	<u>0.365</u>	<u>0.365</u>
Total	\$0.395	\$0.395	\$0.395	\$0.365	\$0.365

Tax Rate Limitations

Debt Service: Unlimited (no legal limit as to rate or amount).

Maintenance and Operations: \$1.20 per \$100 assessed valuation.

Debt Service Tax

The Board covenants in the Bond Resolution to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. For the 2023 tax year, the Board levied a debt service tax in the amount of \$0.23 per \$100 assessed valuation.

Maintenance Tax

The Board of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by vote of the District's electors. On November 7, 2017, the Board was authorized to levy such a maintenance tax in an amount not to exceed \$1.20 per \$100 of assessed valuation. For the 2023 tax year, the Board levied a maintenance tax in the amount of \$0.165 per \$100 assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds.

Tax Exemptions

As discussed in the section titled "TAX PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from taxation.

Additional Penalties

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

Principal Taxpayers

The following list of principal taxpayers was provided by the District's Tax Assessor/Collector based upon the 2023 tax roll.

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2023 Assessed Valuation</u>	<u>% of Assessed Valuation</u>
Toll Austin TX II LLC	Land and Improvements	\$23,204,092	7.00 %
Taylor Morrison of Texas Inc.	Land and Improvements	4,517,009	1.36 %
Travisso Ltd. ^(a)	Land and Improvements	4,099,220	1.24 %
Drees Custom Homes LP	Land and improvements	2,125,379	0.64 %
Individual	Homeowner	1,303,625	0.39 %
Individual	Homeowner	1,236,047	0.37 %
Individual	Homeowner	1,209,366	0.37 %
Individual	Homeowner	1,188,864	0.36 %
Individual	Homeowner	1,165,000	0.35 %
Individual	Homeowner	<u>1,144,058</u>	<u>0.35 %</u>
Total		\$41,192,660	12.43 %

(a) The Developer.

Summary of Assessed Valuation

The following summary of the 2023, 2022 and 2021 Assessed Valuation is provided by the District's Tax Assessor/Collector based on information contained in the 2023, 2022 and 2021 tax rolls of the District. Differences in values from other information herein are due to differences in dates of information provided.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Land	\$159,299,385	\$117,562,921	\$24,566,823
Improvements	213,612,999	65,527,930	56,500,571
Personal Property	53,610	12,902	2,324
Exemptions and Deferments	<u>(43,717,872)</u>	<u>(20,301,797)</u>	<u>(4,412,790)</u>
Total Assessed Valuation	\$329,248,122	\$162,801,956	\$76,656,928

Tax Adequacy for Debt Service

The calculations shown below assume, solely for purposes of illustration, no increase or decrease in assessed valuation over the 2023 Taxable Assessed Valuation and the Estimated Assessed Valuation as of October 1, 2023, no use of available funds, and utilize tax rates necessary to pay the District's average annual debt service requirements on the Bonds. Pursuant to the Facilities Agreement between the District and the City, the City is obligated to pay annually a sum to the District in the form of a "Tax Rebate" as defined in the Facilities Agreement. The City Tax Rebate is \$0.2371 per \$100 assessed valuation. See "THE DISTRICT – Facilities Agreement." The District currently intends to apply the Tax Rebate to pay debt service on the Bonds but such revenue is not pledged to the payment of the Bonds and, therefore, is not included in the calculation of the tax rate requirements.

Average annual debt service requirement (2024-2049)	\$2,450,622
\$0.78 tax rate on the 2023 Taxable Assessed Valuation of \$331,283,001 at a 95% collection rate produces	\$2,454,807
\$0.59 tax rate on the Estimated Assessed Valuation as of October 1, 2023 of \$438,345,412 at a 95% collection rate produces	\$2,456,926

TAX PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older and of certain disabled persons to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District’s obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between \$5,000 and \$12,000 depending on the disability rating of the veteran if such rating is less than 100%. A veteran who receives a disability rating of 100%, and subject to certain conditions, the surviving spouse of such a veteran is entitled to the exemption for the full amount of the residential homestead. A disabled veteran who has a disability rating of less than 100% is entitled to an exemption equal to the percentage of the veteran’s disability rating for a residence homestead that was donated by a charitable organization to such veteran (i) at no cost to such veteran or (ii) effective January 1, 2018, at some cost to such veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the good faith estimate of the market value of the residence homestead made by the charitable organization as of the date the donation is made. Effective January 1, 2018 the surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See “TAX DATA.”

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) (not less than \$5,000) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. See “TAX DATA.”

Freeport Goods and Goods-in-Transit Exemptions: A “Freeport Exemption” applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing, or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A “Goods-in-Transit” Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is limited to tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

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

Valuation of Property for Taxation

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

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

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% physically damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at

its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses formally to include such values on its appraisal roll.

District and Taxpayer Remedies

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

Levy and Collection of Taxes

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

Tax Payment Installments After Disaster

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

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

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

According to the District's Board, the District is considered a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units (see "ESTIMATED OVERLAPPING DEBT STATEMENT – Overlapping Tax Rates for 2023"). A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

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

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GENERAL FUND OPERATIONS

General

The Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. Net revenues, if any, derived from the District's general fund are not pledged to the payment of the Bonds but are available for any lawful purpose including payment of debt service on the Bonds, at the discretion and upon action of the Board. The District is provided water and sewer service by the City. Consequently, the District's general fund is used primarily for administration and it is not expected that significant net revenues, if any, will be available for debt service.

Operating Statement

The following statement sets forth in condensed form the historical results of operation of the District's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary is based upon information obtained from the District's audited financial statements. Reference is made to such statements for further and more complete information.

	10/01/2023 to 01/31/2024 ^(a)	Fiscal Year Ended September 30,			
		2023	2022	2021	2020
REVENUES:					
Property taxes, including penalties	\$ 513,663	\$ 325,236	\$ 170,217	\$ 113,865	\$ 30,549
Interest and other	1,581	6,556	312	29	30
Total revenues	<u>\$ 515,244</u>	<u>\$ 331,792</u>	<u>\$ 170,529</u>	<u>\$ 113,894</u>	<u>\$ 30,579</u>
EXPENDITURES:					
Director fees, including payroll taxes	\$ 3,569	\$ 7,859	\$ 7,428	\$ 8,558	\$ 8,397
Repairs and maintenance	11,800	23,600	17,200	-	-
Legal fees	24,472	95,269	92,463	60,407	62,192
Engineering fees	15,562	25,953	25,776	15,300	14,407
Bookkeeping fees	10,082	23,000	17,800	16,050	13,750
Audit fees	-	13,000	12,000	8,500	8,000
Other Consulting Fees	900	4,967	4,500	3,600	-
Insurance	-	7,618	6,476	4,396	4,264
Tax appraisal/collection fees	1,211	1,900	1,183	1,040	564
Other	2,214	5,292	4,746	1,853	1,354
Total expenditures	<u>\$ 69,810</u>	<u>\$ 208,458</u>	<u>\$ 189,572</u>	<u>\$ 119,704</u>	<u>\$ 112,928</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 445,434	\$ 123,334	\$ (19,043)	\$ (5,810)	\$ (82,349)
OTHER FINANCING SOURCES:					
Developer advances	\$ -	\$ -	\$ -	\$ 30,000	\$ 70,000
FUND BALANCE:					
Beginning of year	128,734	5,400	24,443	253	12,602
End of year	<u>\$ 574,168</u>	<u>\$ 128,734</u>	<u>\$ 5,400</u>	<u>\$ 24,443</u>	<u>\$ 253</u>

(a) Unaudited, prepared by the Bookkeeper.

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DEBT SERVICE REQUIREMENTS

The following sets forth the debt service requirements for the Outstanding Bonds and the estimated debt service requirements for the Bonds at an assumed interest rate of 4.75% per annum.

Year	Outstanding Debt Service Requirements	Debt Service on the Bonds			Total Debt Service Requirements
		Principal	Interest	Total	
2024	\$ 1,246,181	\$ -	\$ -	\$ -	\$ 1,246,181
2025	1,484,968	345,000	943,172	1,288,172	2,773,139
2026	1,479,393	360,000	738,150	1,098,150	2,577,543
2027	1,472,393	380,000	721,050	1,101,050	2,573,443
2028	1,474,718	395,000	703,000	1,098,000	2,572,718
2029	1,469,978	415,000	684,238	1,099,238	2,569,215
2030	1,459,538	435,000	664,525	1,099,525	2,559,063
2031	1,467,263	455,000	643,863	1,098,863	2,566,125
2032	1,473,313	475,000	622,250	1,097,250	2,570,563
2033	1,485,463	500,000	599,688	1,099,688	2,585,150
2034	1,485,894	525,000	575,938	1,100,938	2,586,831
2035	1,499,931	545,000	551,000	1,096,000	2,595,931
2036	1,506,869	575,000	525,113	1,100,113	2,606,981
2037	1,522,019	600,000	497,800	1,097,800	2,619,819
2038	1,529,906	630,000	469,300	1,099,300	2,629,206
2039	1,535,144	660,000	439,375	1,099,375	2,634,519
2040	1,543,463	690,000	408,025	1,098,025	2,641,488
2041	1,559,763	725,000	375,250	1,100,250	2,660,013
2042	1,573,700	760,000	340,813	1,100,813	2,674,513
2043	1,579,113	795,000	304,713	1,099,713	2,678,825
2044	1,592,231	830,000	266,950	1,096,950	2,689,181
2045	1,602,675	870,000	227,525	1,097,525	2,700,200
2046	1,440,469	915,000	186,200	1,101,200	2,541,669
2047	1,085,875	955,000	142,738	1,097,738	2,183,613
2048	483,000	1,000,000	97,375	1,097,375	1,580,375
2049	-	1,050,000	49,875	1,099,875	1,099,875
Total	\$ 36,053,254	\$ 15,885,000	\$ 11,777,922	\$ 27,662,922	\$ 63,716,176

Average Annual Debt Service Requirements (2024-2049)\$2,450,622
Maximum Annual Debt Service Requirements (2025)\$2,773,139

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INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and not obligations of the State of Texas, Travis County, the City of Leander (the “City”), or any other political entity other than the District, will be secured by an annual ad valorem tax levied, without legal limitation as to rate or amount, on all taxable property within the District. The ultimate security for payment of the principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities.

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of single-family residences and of developed lots which are currently being marketed by the Developer for sale to homebuilders for the construction of primary residences. The market value of such homes and lots is related to general economic conditions in the City of Austin, Texas (“Austin”), the State of Texas and the nation and those conditions can affect the demand for residences. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, energy costs and availability, credit availability (see “Credit Market and Liquidity in the Financial Markets” below), construction costs and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values.

National and Local Economy

Nationally, there have been periods of significant downturn in new housing construction due to liquidity, inflation, rising interest and mortgage rates and uncertainty of the availability and costs of construction materials, resulting in a decline in housing sales and market value. The ability of individuals to qualify for a mortgage as well as the general reduction in mortgage availability has also decreased housing sales periodically. The Central Texas area, including the District, has experienced some recent reduction of home construction, sales and/or pricing. The District cannot predict what impact, if any, a continued downturn in the national housing and financial markets may have on the Central Texas market and the District.

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 25 miles from the central downtown business district of Austin, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Austin metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Austin and decline in the nation’s real estate and financial markets could adversely affect development and home-building plans in the District and restrain the growth of the District’s property tax base.

Competition

The demand for and construction of single-family homes in the District, which is approximately 25 miles from downtown Austin, could be affected by competition from other residential developments, including other residential developments located in the northwestern portion of the Austin area market. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District. Such homes could represent additional competition for new homes proposed to be sold within the District.

The competitive position of the builders in the sale of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

Developer/Landowner Obligation to the District

There are no commitments from or obligations of the Developer or any landowner to the District to proceed at any particular rate or according to any specified plan with the development of land or the construction of improvements in the District, and there is no restriction on any landowner's right to sell its land. Failure to construct taxable improvements on developed lots or developed tracts of land would restrict the rate of growth of taxable values in the District. The District cannot and does not make any representations that over the life of the Bonds continued development of taxable property within the District will increase or maintain its taxable value.

Dependence on Principal Taxpayers

The principal taxpayers in the District represent \$41,192,660, or 12.43%, of the District's 2023 Taxable Assessed Valuation of \$331,283,001. The Developer and related entities represent \$31,820,321, or 9.61% of such value. The ability of any principal taxpayer to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. If, for any reason, any one or more principal taxpayers do not pay taxes due or do not pay in a timely manner, the District may need to levy additional taxes or use other funds available for debt service purposes. However, the District has not covenanted in the Bond Resolution, nor is it required by Texas law, to maintain any particular balance in its Debt Service Fund or any other funds to allow for any such delinquencies. Therefore, failure by one or more principal taxpayers to pay their taxes on a timely basis in amounts in excess of the District's available funds could have a material adverse effect upon the District's ability to pay debt service on the Bonds on a current basis.

Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of District property owners to pay their taxes. The 2023 Taxable Assessed Valuation of the District (see "FINANCIAL STATEMENT") is \$331,283,001. After issuance of the Bonds, the maximum annual debt service requirement will be \$2,773,139 (2025) and the average annual debt service requirement will be \$2,450,622 (2024-2049). Assuming no increase or decrease from the 2023 Taxable Assessed Valuation and a 95% collection rate, tax rates of \$0.89 and \$0.78 per \$100 assessed valuation would be necessary to pay the maximum annual requirement and average annual requirement, respectively (see "DEBT SERVICE REQUIREMENTS"). The estimated assessed valuation as of October 1, 2023 within the District is \$438,345,412. Assuming no increase or decrease from the estimated assessed valuation as of October 1, 2023 and a 95% collection rate, tax rates of \$0.67 and \$0.59 per \$100 assessed valuation would be necessary to pay the maximum annual requirement and average annual requirement, respectively. Although calculations have been made regarding average and maximum tax rates necessary to pay the debt service on the Bonds based upon the 2023 Taxable Assessed Valuation and the estimated taxable assessed valuation of October 1, 2023, the District can make no representations regarding the future level of assessed valuation within the District. Increases in the tax rate may be required in the event the District's assessed valuation does not continue to increase or in the event major taxpayers do not pay their District taxes timely. Increases in taxable values depend primarily on the continuing construction and sale of homes and other taxable improvements within the District. See "TAX PROCEDURES" and "TAX DATA – Tax Adequacy for Debt Service."

Future Debt

After issuance of the Bonds, the District will have \$49,580,000 principal amount of authorized but unissued unlimited tax bonds for road facilities and refunding of such bonds, and \$180,060,000 principal amount of authorized but unissued unlimited tax bonds for water, sanitary sewer and drainage facilities and refunding of such bonds, and \$23,985,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of constructing parks and refunding, and the District may issue additional bonds which may be voted hereafter. See "THE BONDS – Issuance of Additional Debt" and "THE SYSTEM." The issuance of such future obligations may adversely affect the investment security of the Bonds. The District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board of the District and any bonds issued to acquire or construct water, sanitary sewer, drainage and recreational facilities must be approved by the Commission.

Additionally, if the District does issue bonds to acquire or construct park and recreational facilities, the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not of the value of the taxable property in the District, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of bonds issued by the District for such purpose may exceed an amount equal to one but not greater than three percent of the value of the taxable property in the District.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by market conditions limiting the proceeds from a foreclosure sale of taxable property and collection procedures. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. The costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAX PROCEDURES – District's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies and Bankruptcy Limitations

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Based on recent Texas court decisions, it is unclear whether Section 49.066 Texas Water Code, effectively waives governmental immunity of a municipal utility district for suits for money damages. Even if such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owner's remedies, including mandamus. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision such as the District may qualify as a debtor eligible to proceed in a Chapter 9 case only if it is (1) authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Special districts such as the District must obtain the approval of the Commission as a condition to seeking relief under the Federal Bankruptcy Code. The Commission is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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

The District may not be placed into bankruptcy involuntarily.

Continuing Compliance with Certain Covenants

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

Marketability

The District has no agreement with the Initial Purchaser (hereinafter defined) regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are generally bought, sold or traded in the secondary market.

Environmental Regulations

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

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

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

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the “EPA”) and the Texas Commission on Environmental Quality (the “TCEQ”) may impact new industrial, commercial and residential development in the Austin area. Under the Clean Air Act (“CAA”) Amendments of 1990, the five-county Austin area (“Austin Area”)—Travis, Hays, Williamson, Bastrop, and Caldwell Counties—has been designated an attainment/unclassifiable area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (“the 2008 Ozone Standard”), and the EPA’s most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (“the 2015 Ozone Standard”).

Although the Austin Area is currently in attainment, the Austin Area has been and continues to be near the non-attainment thresholds for ozone. Accordingly, it is possible that the Austin Area could be re-classified as a nonattainment area should ozone levels increase. A designation of nonattainment for ozone or any other pollutant could negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. In the past, the Austin Area has entered into agreements with the TCEQ to undertake voluntary actions to help avoid a nonattainment designation. Since 2004, the Austin Area has been party to a curtailment agreement with the TCEQ, and the Austin Area is currently part of an EPA Ozone Advance Program.

In order to comply with the EPA’s ozone standards, the TCEQ has established a state implementation plan (“SIP”) setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the Austin Area. It is possible that additional controls will be necessary to allow the Austin Area to maintain attainment with the ozone standards. Such additional controls could have a negative impact on the Austin Area’s economic growth and development.

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

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

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

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

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

In addition to the foregoing, special district activities in the Austin Area involving the clearing of acreage and construction within the Edwards Aquifer recharge, transition, and contributing zones are subject to the TCEQ’s Edwards Aquifer Protection Program, which requires a site-specific application, construction plan approval, and the implementation of temporary and permanent structural and non-structural Best Management Practices and the protection of sensitive features.

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

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

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

Storm Water

The National Weather Service recently completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States (“Atlas 14”). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain. See “THE SYSYEM – Water and Drainage Facilities – 100-Year Flood Plain.”

Changes in Tax Legislation

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

The District has applied for a bond insurance policy (the “Policy”) to guarantee the scheduled payment of principal and interest on the Bonds. If the Policy is purchased, investors should be aware of the following investment considerations:

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

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

Neither the District nor the Underwriter has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims-paying ability of the Insurer, particularly over the life of the investment.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied by the District, without limit as to rate or amount, upon all taxable property within the District, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, to a like effect and to the effect that, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”)) for the purpose of determining the alternative minimum tax imposed on corporations.

Bond Counsel has reviewed the information appearing in this Official Statement under “THE BONDS,” “THE DISTRICT – General,” “MANAGEMENT – Attorney,” “TAX PROCEDURES,” “LEGAL MATTERS,” “TAX MATTERS” and “CONTINUING DISCLOSURE OF INFORMATION” solely to determine if such information, insofar as it relates to matters of law, is true and correct, and whether such information fairly summarizes the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel’s limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein. Certain legal matters will be passed on for the District by Norton Rose Fulbright US LLP, as Disclosure Counsel for the District.

The legal fees paid to Bond Counsel and Disclosure Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold, and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

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

No Material Adverse Change

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

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, executed by both the President and Secretary of the Board, and dated as of the Date of Delivery, to the effect that no litigation of any nature is pending or to its knowledge threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the levy, assessment, and collection of ad valorem taxes to pay the interest or the principal of the Bonds; in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Bonds; or affecting the validity of the Bonds or the title of the present officers of the District.

TAX MATTERS

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of determining the alternative minimum tax imposed on corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds and the source of repayment limitations on the investment of proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond Resolution that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the District, the District's Financial Advisor and the Initial Purchaser with respect to matters solely within the knowledge of the District, the District's Financial Advisor and the Initial Purchaser, respectively, which Bond Counsel has not independently verified. If the District should fail to comply with the covenants in the Bond Resolution or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the Date of Delivery, regardless of the date on which the event causing such taxability occurs.

Under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year. Payments of interest on tax-exempt obligations such as the Bonds are in many cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

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

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

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

Tax Accounting Treatment of Original Issue Discount Bonds

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

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

The foregoing is based on the assumptions that (a) the Initial Purchaser has purchased the Bonds for contemporaneous sale to the general public and not for investment purposes, and (b) all of the Original Issue Discount Bonds have been offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm’s-length transactions for a cash price (and with no other consideration being included) equal to the initial offering prices thereof stated on the inside cover page of this Official Statement, and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

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

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership and redemption, sale or other disposition of such Bonds.

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net interest cost, which bid was tendered by _____ (the "Initial Purchaser") bearing the interest rates shown on the inside cover page hereof, at a price of approximately _____% of the principal amount thereof plus accrued interest to the Date of Delivery which resulted in a net effective interest rate of _____% as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the Date of Delivery stating the prices at which the Bonds have been offered for sale to the public. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

The prices and other terms with respect to the offering and sale of the Bonds may be changed at any time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Initial Purchaser may over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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

Securities Laws

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

MUNICIPAL BOND INSURANCE AND RATING

Moody's Investors Service ("Moody's") has assigned an underlying, uninsured rating to the District of "Baa3." An explanation of the rating may be obtained from Moody's. Application has also been made for the qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Initial Purchaser and at the Initial Purchaser's expense. The rating fees of Moody's will be paid by the District; however, the fees associated with any other rating will be the responsibility of the Initial Purchaser.

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

The District is not aware of any ratings assigned the Bonds other than the ratings of Moody's.

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The purchase of municipal bond insurance, if available, will be at the option and expense of the Initial Purchaser.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this Official Statement has been obtained primarily from the District's records, the Developer, the Engineer, the Tax Assessor/Collector, the Appraisal District, and information from certain other sources. All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and its inclusion herein is not to be construed as a representation on the part of the District except as described below under "Certification of Official Statement." Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

Financial Advisor

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

Consultants

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

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

Appraisal District: The information contained in this Official Statement relating to the assessed valuations has been provided by the Appraisal District and has been included herein in reliance upon the authority of such entity as experts in assessing the values of property in Travis County, including the District.

Tax Assessor/Collector: The information contained in this Official Statement relating to the historical breakdown of the Assessed Valuations, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by the Appraisal District and the Travis County Tax Assessor/Collector, and is included herein in reliance upon their authority as experts in assessing and collecting taxes.

Auditor: The District's financial statements for the year ended September 30, 2023, were audited by McCall Gibson Swedlund Barfoot PLLC. See APPENDIX A for a copy of the District's September 30, 2023 audited financial statements.

Bookkeeper: The information related to the "unaudited" summary of the District's General Fund has been provided by Bott & Douthitt PLLC and is included herein in reliance upon the authority of such firm as experts in the tracking and managing the various funds of municipal utility districts.

Updating the Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time as required by law (but not more than 90 days after the date the District delivers the Bonds).

Certification of Official Statement

The District, acting through its Board in its official capacity, hereby certifies, as of the date hereof, that the information, statements, and descriptions or any addenda, supplement and amendment thereto pertaining to the District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statement of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they are made, not misleading. With respect to information included in this Official Statement other than that relating to the District, the District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading; however, the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. In rendering such certificate, the official executing this certificate may state that he has relied in part on his examination of records of the District relating to matters within his own area of responsibility, and his discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants and representatives of the District.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain updated financial information and operating data annually to the MSRB, or any successor, through its EMMA. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "FINANCIAL STATEMENT," "TAX DATA," "DEBT SERVICE REQUIREMENTS," and "APPENDIX A" (Annual Financial Report and supplemental schedules). The District will update and provide this information within six months after the end of each fiscal year ending in or after 2024.

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

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) nonpayment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms “obligated person” and “financial obligation” when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the “Rule”). The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves, or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Availability of Information from MSRB

The District has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

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

The District may amend its continuing disclosure agreement from time to time to adapt the changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with SEC Rule 15c2-12, taking into account any amendments or interpretations of SEC Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Registered and beneficial owners of the Bonds. The District may amend or repeal the agreement in the Bond Resolution if the SEC amends or repeals the applicable provisions of SEC Rule 15c2-12 or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Underwriters from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

The District became obligated to file in 2020 and since that time the District has complied in all material respects with its continuing disclosure agreement in accordance with SEC Rule 15c2-12.

MISCELLANEOUS

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

This Official Statement was approved by the Board of Travis County Municipal Utility District No. 20, as of the date shown on the inside cover page.

/s/ _____
President, Board of Directors
Travis County Municipal Utility District No. 20

ATTEST:

/s/ _____
Secretary, Board of Directors
Travis County Municipal Utility District No. 20

PHOTOGRAPHS OF THE DISTRICT

The following photographs were taken in the District in April 2024, solely to illustrate the type of improvements which have been constructed in the District. The District cannot predict if any additional improvements will be constructed in the future.









APPENDIX A

Audited Financial Statements for the fiscal year ended September 30, 2023

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Travis County Municipal Utility District No. 20
Travis County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Travis County Municipal Utility District No. 20 (the "District") as of and for the year ended September 30, 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 each major fund of the District as of September 30, 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 Budgetary Comparison Schedule - 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 Texas 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 information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Other Information

Management is responsible for the Other Supplementary Information included in the annual report. The Other Supplementary Information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Supplementary Information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

January 11, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of Travis County Municipal Utility District No. 20 (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2023. Since this information is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the District's basic financial statements that follow.

FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the nonspendable and unassigned fund balance totaled \$128,734 for the General Fund, an increase of \$123,334 from the previous fiscal year. General Fund revenues increased from \$170,529 in the previous fiscal year to \$331,792 in the current fiscal year.
- *Debt Service Fund:* Fund balance restricted for debt service increased from \$346,129 from the previous fiscal year to \$874,144 in the current fiscal year. The District received \$376,237 of proceeds from the issuance of the Series 2022 Unlimited Tax Bonds. The District also paid down \$210,000 of bond principal and \$494,376 of bond interest on outstanding debt.
- *Capital Projects Fund:* Fund balance restricted for capital projects increased from \$527,603 in the previous fiscal year to \$960,994 in the current fiscal year. The District issued \$8,000,000 of Series 2022 Unlimited Tax Bonds and used the proceeds to purchase \$5,382,039 of infrastructure assets which were conveyed to the City of Leander and pay \$816,931 of bond issuance expenditures, \$1,003,873 of developer interest and repay \$120,000 of developer advances.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had excess expenses net of revenues of \$1,506,563. Net position decreased from a deficit balance of \$1,987,901 to a deficit balance of \$3,494,464.

OVERVIEW OF THE DISTRICT

The District was created on March 7, 2013, by Order of the Texas Commission on Environmental Quality. The District was created under the provisions of Article XVI, Section 59, of the Texas Constitution. The District is governed by a five-member Board of Directors (the "Board") which has been elected by District residents or appointed by the Board.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

USING THIS ANNUAL REPORT

This annual report consists of the following parts:

- *Management's Discussion and Analysis* (this section)
- *Financial Statements*
- *Notes to the Financial Statements*
- *Required Supplementary Information*
- *Texas Supplementary Information* (required by the Texas Commission on Environmental Quality (the TSI section))
- *Other Supplementary Information* (the OSI section)

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Governmental Funds Total" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances* includes a column (titled "Governmental Funds Total") that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*.

The *Required Supplementary Information* presents a comparison statement between the District's adopted budget and its actual results.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Summary Statement of Net Position		
	Governmental Activities		Change
	2023	2022	Increase (Decrease)
Current and Other Assets	\$ 2,011,994	\$ 922,969	\$ 1,089,025
Non-Current Assets	10,644,082	5,458,282	5,185,800
Total Assets	\$ 12,656,076	\$ 6,381,251	\$ 6,274,825
Current Liabilities	\$ 484,669	\$ 272,083	\$ 212,586
Long-Term Liabilities	15,665,871	8,097,069	7,568,802
Total Liabilities	\$ 16,150,540	\$ 8,369,152	\$ 7,781,388
Net Investment in Capital Assets	\$ (4,450,795)	\$ (2,201,184)	\$ (2,249,611)
Restricted	826,969	327,687	499,282
Unrestricted	129,362	(114,404)	243,766
Total Net Position	\$ (3,494,464)	\$ (1,987,901)	\$ (1,506,563)

Revenues and Expenses:

	<u>Summary Statement of Activities</u>		
	<u>Governmental Activities</u>		Change
	2023	2022	Increase
			(Decrease)
Property taxes and interest	\$ 1,240,316	\$ 486,169	\$ 754,147
Total Revenues	\$ 1,240,316	\$ 486,169	\$ 754,147
Director fees	\$ 7,859	\$ 7,428	\$ 431
Professional fees	163,822	152,539	11,283
Developer interest	1,003,873	483,862	520,011
Other	39,420	30,499	8,921
Debt service	1,334,406	857,229	477,177
Depreciation/amortization	197,499	97,772	99,727
Total Expenses	\$ 2,746,879	\$ 1,629,329	\$ 1,117,550
Change in Net Position	\$ (1,506,563)	\$ (1,143,160)	\$ (363,403)
Beginning Net Position	(1,987,901)	(844,741)	(1,143,160)
Ending Net Position	\$ (3,494,464)	\$ (1,987,901)	\$ (1,506,563)

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued) -

Revenues were \$1,240,316 for the fiscal year ended September 30, 2023 while expenses were \$2,746,879. Net position decreased \$1,506,563 from the previous fiscal year.

Property tax revenues in the current fiscal year totaled \$713,979. Property tax revenue is derived from taxes being levied based upon the assessed value of real and personal property within the District. Property taxes levied for the 2022 tax year (September 30, 2023 fiscal year) were based upon a current assessed value of \$179,830,224 and a tax rate of \$0.395 per \$100 of assessed valuation. The tax rate levied is determined after the District's Board reviews the General Fund budget requirements and the Debt Service Fund debt service obligations of the District. The District also received \$433,670 of tax rebates from the City of Leander, Texas in accordance with its Facilities Agreement.

ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds by Year

	2023	2022
Cash and cash equivalents	\$ 1,960,967	\$ 906,279
Taxes receivable	1,292	344
Interfund and other	95,938	21,149
Prepaid costs	49,735	16,346
Total Assets	<u>\$ 2,107,932</u>	<u>\$ 944,118</u>
Accounts payable	\$ 46,830	\$ 43,493
Interfund	95,938	21,149
Total Liabilities	<u>\$ 142,768</u>	<u>\$ 64,642</u>
Deferred Inflows of Resources	\$ 1,292	\$ 344
Nonspendable	\$ 4,913	\$ 4,846
Restricted	1,835,138	873,732
Unassigned	123,821	554
Total Fund Balances	<u>\$ 1,963,872</u>	<u>\$ 879,132</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,107,932</u>	<u>\$ 944,118</u>

For the fiscal year ended September 30, 2023, the District's governmental funds reflect a combined fund balance of \$1,963,872, which includes a \$123,334 increase in the General Fund fund balance.

The Debt Service Fund reflects an increase of \$528,015 increase in fiscal year 2023. More detailed information about the District's debt is presented in the *Notes to the Financial Statements*.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

ANALYSIS OF GOVERNMENTAL FUNDS (continued)

The Capital Projects Fund purchases the District's infrastructure. The Capital Projects Fund had a \$433,391 increase in fund balance for fiscal year 2023. The District issued \$8,000,000 of Series 2022 Unlimited Tax Bonds and used the proceeds to reimburse the developer for infrastructure assets and prior operating advances and pay bond issuance expenditures and developer interest.

BUDGETARY HIGHLIGHTS

The General Fund pays for daily operating expenditures. The Board adopted a budget for the General Fund on September 8, 2022. The budget included revenues of \$317,128 and expenditures of \$217,820. When comparing actual to budget, the District had a positive variance of \$24,026. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information*.

CAPITAL AND INTANGIBLE ASSETS

As of September 30, 2023, the District had invested \$9,443,796 in infrastructure which was conveyed to the City of Leander for the right to receive water and wastewater services (an intangible asset). The detail of intangible assets is reflected in the following schedule:

Summary of Intangible Assets, net

	<u>9/30/2023</u>		<u>9/30/2022</u>
Intangible Assets -			
Right to receive water and wastewater service	\$ 9,773,741	\$	4,682,809
Less: Accumulated Amortization	(329,945)		(132,446)
Total Net Intangible Assets	<u>\$ 9,443,796</u>	<u>\$</u>	<u>4,550,363</u>

As of September 30, 2023, the District has invested \$1,200,286 in capital assets related to land.

More detailed information about the District's capital and intangible assets is presented in the *Notes to the Financial Statements*.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

LONG-TERM DEBT

At September 30, 2023, the District has the following balances outstanding on unlimited tax bonds:

	Bonds Payable
Series 2020	\$ 2,375,000
Series 2021	5,505,000
Series 2022	8,000,000
Total	<u>\$ 15,880,000</u>

The District owes approximately \$16 million to bondholders. The ratio of the District's long-term debt to the total 2022 taxable assessed valuation (\$179,830,224) is 8.8%. The District's estimated population, as provided by the District as of October 2023, is 1,579. More detailed information about the District's long-term debt is presented in the *Notes to the Financial Statements*.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

On December 7, 2023, the District issued \$6,660,000 of Unlimited Tax Bonds, Series 2023, with interest rates ranging from 5.00% to 7.00% and principal maturities through September 2048. Proceeds of the bonds were used to reimburse the developer for construction costs, fund future bond interest payments and to pay bond issuance costs.

The property tax assessed value and net taxable value for the 2023 tax year (fiscal year 2024) is approximately \$331 million. The fiscal year 2023 tax rate is \$0.395 on each \$100 of taxable value, of which 42% will be used to fund general operating expenses of the District and 58% will be used to pay principal and interest on the District's unlimited tax bonds.

The adopted budget for fiscal year 2024 projects a \$48,451 increase in General Fund fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Allen Boone Humphries Robinson LLP, 919 Congress Ave., Suite 1500, Austin, TX 78701.

FINANCIAL STATEMENTS

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - wide Statement of Net Position
ASSETS						
Cash	\$ 23,359	\$ -	\$ -	\$ 23,359	\$ -	\$ 23,359
Cash equivalent investments	158,204	820,719	958,685	1,937,608	-	1,937,608
Receivables:						
Taxes	628	664	-	1,292	-	1,292
Interfund	42,513	53,425	-	95,938	(95,938)	-
Prepaid costs	4,913	-	44,822	49,735	-	49,735
Intangible assets, net of accumulated amortization -						
Right to receive water and wastewater service	-	-	-	-	9,443,796	9,443,796
Capital assets, net of accumulated depreciation -						
Land	-	-	-	-	1,200,286	1,200,286
TOTAL ASSETS	<u>\$ 229,617</u>	<u>\$ 874,808</u>	<u>\$ 1,003,507</u>	<u>\$ 2,107,932</u>	<u>10,548,144</u>	<u>12,656,076</u>
LIABILITIES						
Accounts payable	\$ 46,830	\$ -	\$ -	\$ 46,830	-	46,830
Accrued interest payable	-	-	-	-	47,839	47,839
Interfund payables	53,425	-	42,513	95,938	(95,938)	-
Bonds payable:						
Due within one year	-	-	-	-	390,000	390,000
Due after one year	-	-	-	-	15,665,871	15,665,871
TOTAL LIABILITIES	<u>100,255</u>	<u>-</u>	<u>42,513</u>	<u>142,768</u>	<u>16,007,772</u>	<u>16,150,540</u>
DEFERRED INFLOWS OF RESOURCES						
Property taxes	628	664	-	1,292	(1,292)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>628</u>	<u>664</u>	<u>-</u>	<u>1,292</u>	<u>(1,292)</u>	<u>-</u>
FUND BALANCES / NET POSITION						
Fund balances:						
Nonspendable - Prepaid	4,913	-	-	4,913	(4,913)	-
Restricted for debt service	-	874,144	-	874,144	(874,144)	-
Restricted for authorized construction	-	-	960,994	960,994	(960,994)	-
Unassigned	123,821	-	-	123,821	(123,821)	-
TOTAL FUND BALANCES	<u>128,734</u>	<u>874,144</u>	<u>960,994</u>	<u>1,963,872</u>	<u>(1,963,872)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 229,617</u>	<u>\$ 874,808</u>	<u>\$ 1,003,507</u>	<u>\$ 2,107,932</u>		
NET POSITION						
Net investment in capital assets					(4,450,795)	(4,450,795)
Restricted for debt service					826,969	826,969
Unrestricted					129,362	129,362
TOTAL NET POSITION					<u>\$ (3,494,464)</u>	<u>\$ (3,494,464)</u>

The accompanying notes are an integral part of this statement.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - wide Statement of Activities
REVENUES:						
Property taxes, including penalties	\$ 325,236	\$ 387,795	\$ -	\$ 713,031	\$ 948	\$ 713,979
Property taxes from City of Leander, TX	-	433,670	-	433,670	-	433,670
Interest	6,556	39,392	46,719	92,667	-	92,667
TOTAL REVENUES	331,792	860,857	46,719	1,239,368	948	1,240,316
EXPENDITURES / EXPENSES:						
Current:						
Director fees, including payroll taxes	7,859	-	-	7,859	-	7,859
Repairs and maintenance	23,600	-	-	23,600	-	23,600
Legal fees	95,269	-	-	95,269	-	95,269
Engineering fees	25,953	-	-	25,953	-	25,953
Bookkeeping fees	23,000	-	-	23,000	-	23,000
Audit fees	13,000	-	-	13,000	-	13,000
Other consulting fees	4,967	1,633	-	6,600	-	6,600
Tax appraisal/collection fees	1,900	2,270	-	4,170	-	4,170
Public notices	504	-	-	504	-	504
Insurance	7,618	-	-	7,618	-	7,618
Other	3,528	-	-	3,528	-	3,528
Developer interest	-	-	1,003,873	1,003,873	-	1,003,873
Repay operating advances	-	-	120,000	120,000	(120,000)	-
Debt service:						
Principal	-	210,000	-	210,000	(210,000)	-
Interest	-	494,376	-	494,376	22,299	516,675
Fiscal agent fees	-	800	-	800	-	800
Bond issuance costs	-	-	816,931	816,931	-	816,931
Capital outlay	1,260	-	5,382,039	5,383,299	(5,383,299)	-
Amortization	-	-	-	-	197,499	197,499
TOTAL EXPENDITURES / EXPENSES	208,458	709,079	7,322,843	8,240,380	(5,493,501)	2,746,879
Excess (deficiency) of revenues over (under) expenditures/expenses	123,334	151,778	(7,276,124)	(7,001,012)	5,494,449	(1,506,563)
OTHER FINANCING SOURCES:						
Bond proceeds	-	376,237	7,623,763	8,000,000	(8,000,000)	-
Bond premium	-	-	85,752	85,752	(85,752)	-
TOTAL OTHER FINANCING SOURCES	-	376,237	7,709,515	8,085,752	(8,085,752)	-
NET CHANGE IN FUND BALANCES	123,334	528,015	433,391	1,084,740	(1,084,740)	-
CHANGE IN NET POSITION					(1,506,563)	(1,506,563)
FUND BALANCES / NET POSITION:						
Beginning of the year	5,400	346,129	527,603	879,132	(2,867,033)	(1,987,901)
End of the year	\$ 128,734	\$ 874,144	\$ 960,994	\$ 1,963,872	\$ (5,458,336)	\$ (3,494,464)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Travis County Municipal Utility District No. 20 (the "District") relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles ("GAAP") as applied to governmental entities. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity - The District was created by Order of the Texas Commission on Environmental Quality dated March 7, 2013. The District was created under the provisions of Article XVI, Section 59, of the Texas Constitution. The reporting entity of the District encompasses those activities and functions over which the District's officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the "Board"), which have been elected by District residents or appointed by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB standards since the majority of Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined by GASB standards which are included in the District's reporting entity.

Basis of Presentation - Government-wide and Fund Financial Statements - These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting ("GASB Codification").

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. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital and intangible assets, including restricted capital assets, net of accumulated depreciation and amortization 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.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

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

The financial statements are prepared in conformity with GASB Statement No. 34, and include a column for government-wide (based upon the District as a whole) and fund financial statement presentations. GASB Statement No. 34 also requires as supplementary information Management's Discussion and Analysis, which includes an analytical overview of the District's financial activities. In addition, a budgetary comparison statement is presented that compares the adopted General Fund budget with actual results.

- **Government-wide Statements:** The District's Statement of Net Position includes both non-current assets and non-current liabilities of the District. In addition, the government-wide Statement of Activities column reflects depreciation and amortization expense on the District's capital and intangible assets.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the individual funds of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

- **Fund Financial Statements:** Fund based financial statement columns are provided for governmental funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds. All of the District's funds are reported as major funds.

Governmental Fund Types - The accounts of the District are organized and operated on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The various funds are grouped by category and type in the financial statements. The District maintains the following fund types:

- **General Fund** - The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.
- **Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest and related costs.
- **Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Non-current Governmental Assets and Liabilities - GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the government-wide financial statement column in the Statement of Net Position.

Basis of Accounting

Government-wide Statements - The government-wide financial statement column is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Financial Statements - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the fund balances. Governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. both measurable and available).

"Measurable" means that the amount of the transaction can be determined and "available" means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt which is recognized when due. This exception is in conformity with generally accepted accounting principles.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred inflows of resources. All other revenues of the District are recorded on the accrual basis in all funds.

The District reports deferred inflows of resources on its balance sheet. Deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the liability for deferred inflows is removed from the balance sheet and revenue is recognized.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Budgets and Budgetary Accounting - An unappropriated budget was adopted on September 8, 2022 for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board utilizes the budget as a management tool for planning and cost control purposes. The budget was not amended during the fiscal year. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current fiscal year.

Pensions - The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll purposes only.

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.

Cash and Cash Equivalents - Cash and cash equivalents includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of obligations in the State Treasurer's Investment Pool, are recorded at amortized cost.

Intangible Assets - Intangible assets, consisting of rights to receive water and wastewater service, are reported in the government-wide Statement of Net Position. Intangible assets are valued at the cost of water and wastewater facilities conveyed to the City of Leander and amortized over the term of the applicable service contract, which is 55 years from the execution date of the contract.

Capital Assets - Capital assets, which include land, are reported in the government-wide column in the Statement of Net Position. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at their estimated acquisition value at the time received.

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Long-Term Debt - Unlimited tax bonds, which have been issued to fund capital projects, are to be repaid from tax revenues of the District.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Fund Balance - 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.
- **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. 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 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.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

2. RECONCILIATION OF THE GOVERNMENTAL FUNDS

Adjustments to convert the Governmental Funds Balance Sheet to the Statement of Net Position are as follows:

Fund Balances - Total Governmental Funds		\$ 1,963,872
Capital assets and intangible assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Capital assets	1,200,286	
Intangible assets	9,773,741	
Less: Accumulated amortization	<u>(329,945)</u>	10,644,082
Revenue is recognized when earned in the government-wide statements, regardless of availability. Governmental funds report deferred inflows of resources for revenues earned but not available.		1,292
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	(15,880,000)	
Issuance discounts/premiums, net of amortization	(175,871)	
Accrued interest	<u>(47,839)</u>	<u>(16,103,710)</u>
Net Position - Governmental Activities		<u><u>\$ (3,494,464)</u></u>

Adjustments to convert the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities are as follows:

Net Change in Fund Balances - Governmental Funds		\$ 1,084,740
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report:		
Property tax revenue in year collected	948	
Developer advances in year repaid	120,000	
Interest expenditures in year paid	(29,249)	
Bond principal in year paid	210,000	
Bond sales and related bond discount/ premium as other financing sources/(uses)	(8,085,752)	
Capital outlay in year paid	<u>5,383,299</u>	(2,400,754)
Governmental funds do not report:		
Amortization of intangibles	(197,499)	
Amortization of discounts/premiums	<u>6,950</u>	<u>(190,549)</u>
Change in Net Position - Governmental Activities		<u><u>\$ (1,506,563)</u></u>

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

3. CASH AND INVESTMENTS

The investment policies of the District are governed by Section 2256 of the Texas Government Code (the "Public Funds Investment Act") and an adopted District investment policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's investment policy, which complies with the Public Funds Investment Act, include: depositories must be Federal Deposit Insurance Corporation ("FDIC") insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; and securities collateralizing time deposits are held by independent third party trustees.

Cash - At September 30, 2023, the carrying amount of the District's deposits was \$23,359 and the bank balance was \$23,579. The bank balance was covered by FDIC insurance.

Investments -

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values through investment diversification and limiting investments as follows:

- Money market mutual funds are required to have weighted average maturities of 90 days or fewer; and
- Other mutual fund investments are required to have weighted average maturities of less than two years.

Credit risk. The District's investment policy requires the application of the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, and considering the probable safety of their capital as well as the probable income to be derived.

The District's investment policy requires that District funds be invested in:

- Obligations of the United States government and/or its agencies and instrumentalities;
- Money market mutual funds with investment objectives of maintaining a stable net asset value of \$1 per share;
- Mutual funds rated in one of the three highest categories by a nationally recognized rating agency;
- Securities issued by a state or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency; or
- Public funds investment pools rated AAA or AAAm by a nationally recognized rating agency.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

3. CASH AND INVESTMENTS (continued)-

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas State Comptroller of Public Accounts has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

At September 30, 2023, the District held the following investments:

Investment	Fair Value at 9/30/2023	Governmental Fund			Investment Rating	
		General	Debt Service	Capital Projects	Rating	Rating Agency
		Unrestricted	Restricted (1)	Restricted (2)		
TexPool	\$ 1,937,608	\$ 158,204	\$ 820,719	\$ 958,685	AAAm	Standard & Poors
	\$ 1,937,608	\$ 158,204	\$ 820,719	\$ 958,685		

(1) Restricted for payment of debt service and cost of assessing and collecting taxes.

(2) Restricted for purchase of capital assets.

Concentration of credit risk. In accordance with the District's investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2023, the District did not own any investments in individual securities.

Custodial credit risk-deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that deposits be fully insured by FDIC insurance or collateralized with obligations of the United States or its agencies and instrumentalities. As of September 30, 2023, the District's bank deposits were fully covered by FDIC insurance.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

4. PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Travis Central Appraisal District established appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Travis County Tax Assessor Collector bills and collects the District's property taxes. The Board of Directors set the tax rate for the 2022 tax year on September 8, 2022.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real property within the District on the 2022 tax roll. The tax rate, based on the total taxable assessed valuation of \$179,830,224, was \$0.395 on each \$100 valuation and was allocated \$0.18 to the General Fund and \$0.215 to the Debt Service Fund. The maximum allowable maintenance tax of \$1.20 was established by the voters on November 7, 2017.

Property taxes of \$628 and \$664 were receivable in the General Fund and Debt Service Fund, respectively, at September 30, 2023.

The District is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

In accordance with the Facilities Agreement effective July 20, 2012 between the District, the developers, and the City of Leander (the "City"), as amended, the District shall receive tax rebate payments from the City starting the year the District levies its initial debt service ad valorem tax, which occurred in fiscal year 2021 for tax year 2020. The tax rebate payments owed to the District are based on the total ad valorem tax collected by the City each year during the tax rebate period on the property, as defined in the Facilities Agreement, produced by the levy of a rate equal to \$0.2371 per \$100 assessed valuation, subject to terms and conditions outlined in the Facilities Agreement. During the year ended September 30, 2023, the District recognized \$433,670 in property tax revenue from the City.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

5. INTERFUND ACCOUNTS AND TRANSFERS

A summary of interfund accounts, which resulted from the time lag between dates that payments are made between funds, is as follows at September 30, 2023:

	Interfund	
	Receivables	Payables
General Fund:		
Debt Service Fund	\$ -	\$ 53,425
Capital Projects Fund	42,513	-
Debt Service Fund -		
General Fund	53,425	-
Capital Projects Fund -		
General Fund	-	42,513
	<u>\$ 95,938</u>	<u>\$ 95,938</u>

6. CHANGES IN INTANGIBLE ASSETS

In accordance with the agreement between the District and the City (see Note 9), upon completion of construction, certain water and wastewater facilities have been conveyed to the City for operations and maintenance. In exchange for the conveyance of these assets, the City agrees to provide water and wastewater services to the District, which results in an intangible asset of the District. As of September 30, 2023, the District had the following intangible assets:

	Balance 10/1/2022	Additions	Deletions	Balance 9/30/2023
Intangible assets -				
Right to receive water and wastewater service	\$ 4,682,809	\$ 5,090,932	\$ -	\$ 9,773,741
Less accumulated amortization	(132,446)	(197,499)	-	(329,945)
Total intangible assets, net	<u>\$ 4,550,363</u>	<u>\$ 4,893,433</u>	<u>-</u>	<u>\$ 9,443,796</u>

7. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 10/1/2022	Additions	Deletions	Balance 9/30/2023
Capital assets not being depreciated -				
Land	\$ 907,919	\$ 292,367	\$ -	\$ 1,200,286
Total capital assets, net	<u>\$ 907,919</u>	<u>\$ 292,367</u>	<u>\$ -</u>	<u>\$ 1,200,286</u>

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

8. BONDED DEBT

The following is a summary of bond transactions of the District for the year ended September 30, 2023:

	Unlimited Tax and Revenue Bonds
Bonds payable at October 1, 2022	\$ 8,090,000
Bonds issued	8,000,000
Bonds refunded	-
Bonds retired	(210,000)
Bond discount/premium, net	175,871
Bonds payable at September 30, 2023	<u>\$ 16,055,871</u>

On December 20, 2022, the District issued \$8,000,000 of Unlimited Tax Bonds, Series 2022, with interest rates ranging from 4.00% to 6.50%. The net proceeds of \$7,348,772 (after payment of underwriter fees and other bond issue costs) were deposited with the District's investment accounts to finance the reimbursement of construction costs of water, wastewater and drainage facilities and operating advances and to fund future interest payments on the bonds and pay subsequent bond issue costs.

Bonds payable at September 30, 2023, are comprised of the following individual issues:

Unlimited Tax Bonds:

\$2,375,000 – 2020 Unlimited Tax Bonds payable serially through the year 2045 at interest rates which range from 2.00% to 3.125%. Bonds maturing on or after September 1, 2031, are callable prior to maturity beginning on September 1, 2030. Bonds maturing September 1, 2036, 2038, 2041 and 2045 are term bonds and are subject to mandatory sinking fund redemption.

\$5,505,000 – 2021 Unlimited Tax Bonds payable serially through the year 2046 at interest rates which range from 2.00% to 4.50%. Bonds maturing on or after September 1, 2032, are callable prior to maturity beginning on September 1, 2031. Bonds maturing September 1, 2046 are term bonds and are subject to mandatory sinking fund redemption.

\$8,000,000 – 2022 Unlimited Tax Bonds payable serially through the year 2047 at interest rates which range from 4.00% to 6.50%. Bonds maturing on or after September 1, 2033, are callable prior to maturity beginning on September 1, 2032. Bonds maturing September 1, 2041, 2044 and 2047 are term bonds and are subject to mandatory sinking fund redemption.

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

8. BONDED DEBT (continued) -

The annual requirements to amortize all bonded debt at September 30, 2023, including interest, are as follows:

Year Ended September 30,	Annual Requirements for All Series		
	Principal	Interest	Total
2024	\$ 390,000	\$ 600,468	\$ 990,468
2025	405,000	581,267	986,267
2026	420,000	561,193	981,193
2027	440,000	540,393	980,393
2028	465,000	519,268	984,268
2029-2033	2,680,000	2,265,352	4,945,352
2034-2038	3,360,000	1,768,869	5,128,869
2039-2043	4,245,000	1,135,180	5,380,180
2044-2047	3,475,000	315,501	3,790,501
	<u>\$ 15,880,000</u>	<u>\$ 8,287,491</u>	<u>\$ 24,167,491</u>

\$874,144 is available in the Debt Service Fund to service the bonded debt. Bonds authorized but not issued as of September 30, 2023, are as follows:

Type	Amount
Unlimited Tax Bonds	\$ 186,720,000
Park and Recreation Bonds	\$ 23,985,000
Road Bonds	\$ 65,465,000

9. COMMITMENTS AND CONTINGENCIES

The District is currently under development, and the acquisition and construction of water and wastewater facilities, including creation costs and engineering, testing, permitting fees, and land acquisition costs, is being funded by developers of the land within the District. In the Facilities Agreement with the developers and the City of Leander dated July 20, 2012, as amended, the Board authorized the funding of the acquisition and construction of water and wastewater facilities and the reimbursement of the developers for those facility acquisition and construction costs out of bond proceeds at such time bonds are authorized and issued. The bond proceeds will be used to acquire, for the benefit of and conveyance to the City of Leander, all capital assets within the District including related water and wastewater facility infrastructure.

The estimated total bonds needed to purchase the capital assets of the District including related water and wastewater facility infrastructure was \$202,870,000, which was approved by voters in the District through a bond election held on November 7, 2017. Also on November 7, 2017, voters within the District approved authorization to issue an additional \$23,985,000 of bonds to fund costs for parks and recreational facilities and \$65,465,000 to fund road improvements.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

9. COMMITMENTS AND CONTINGENCIES (continued) -

On September 30, 2015, and then amended on November 17, 2017, and June 11, 2020, the District entered into a Cost Sharing Agreement with Travis County Municipal Utility District No. 19 ("MUD No. 19") and Travis County Municipal Utility District No. 21 ("MUD No. 21"). Under the Cost Sharing Agreement, each district is responsible for its pro rata share of costs to design and construct the water, wastewater, and road facilities, including engineering, testing, permitting fees and land costs, and have agreed to share in the acquisition and construction costs as outlined in the table below:

<u>District</u>	<u>Pro Rata Share of Costs</u>
MUD No. 19	37.8%
The District	32.3%
MUD No. 21	29.9%
Total	<u>100.0%</u>

The developer of the land within the District has incurred costs related to construction of facilities. Such costs may be reimbursable to the developer by the District from proceeds of future District bond issues, subject to approval by the Texas Commission on Environmental Quality. The District, as of September 30, 2023, has recorded no liability pertaining to such costs. During the current year, the District repaid \$120,000 of operating advances to the developer with proceeds from its Series 2022 Bond Issue. As of September 30, 2023, the District has reimbursed the developer for all previously funded advances used to fund District operations.

10. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

11. SUBSEQUENT EVENT

On December 7, 2023, the District issued \$6,660,000 of Unlimited Tax Bonds, Series 2023. Proceeds of the bonds were used to reimburse a developer within the District for certain water, wastewater and drainage facilities and fund future interest payments on the bonds and pay bond issue costs. The Series 2023 bonds were sold with interest rates ranging from 5.00% to 7.00% and principal maturities through September 2048.

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REQUIRED SUPPLEMENTARY INFORMATION

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SEPTEMBER 30, 2023

	Actual	Original and Final Budget	Variance Positive (Negative)
REVENUES:			
Property taxes, including penalties	\$ 325,236	\$ 317,128	\$ 8,108
Interest	6,556	-	6,556
TOTAL REVENUES	<u>331,792</u>	<u>317,128</u>	<u>14,664</u>
EXPENDITURES:			
Current:			
Director fees, including			
payroll taxes	7,859	9,720	1,861
Repairs and maintenance	23,600	23,600	-
Legal fees	95,269	96,000	731
Engineering fees	25,953	27,000	1,047
Bookkeeping fees	23,000	23,200	200
Audit fees	13,000	13,000	-
Financial advisor fees	1,367	2,000	633
Other consulting fees	3,600	3,600	-
Tax appraisal/collection fees	1,900	3,200	1,300
Public notices	504	1,000	496
Insurance	7,618	10,000	2,382
Other	3,528	5,500	1,972
Capital outlay	1,260	-	(1,260)
TOTAL EXPENDITURES	<u>208,458</u>	<u>217,820</u>	<u>9,362</u>
NET CHANGE IN FUND BALANCE	123,334	<u>\$ 99,308</u>	<u>\$ 24,026</u>
FUND BALANCE			
Beginning of the year	5,400		
End of the year	<u>\$ 128,734</u>		

The accompanying notes are an integral part of this statement.