



Rating Action: Moody's Ratings assigns Baa3 to Leander MUD No. 1, TX's GOULT, Ser. 2026

22 Apr 2026

New York, April 22, 2026 -- Moody's Ratings (Moody's) has assigned has assigned a Baa3 rating to Leander Municipal Utility District No. 1, TX's proposed \$4 million Unlimited Tax Road Bonds, Series 2026. We maintain the Baa3 rating on the district's issuer rating and the outstanding general obligation unlimited tax (GOULT) debt. Post-sale, the district will have about \$30.5 million in GOULT debt outstanding.

RATINGS RATIONALE

The Baa3 issuer rating reflects the district's strong financial performance that will slightly improve in fiscal 2026 (September 30 year end), reaching a fund balance ratio near 200%. The district is located within the Austin Metropolitan area with an above-average resident income ratio of 182%. Available fund balance to liabilities ratio will slightly decline when including the new issuance near 13.5%.

The rating also incorporates leverage that will remain high when including the new issuance, with long-term liabilities of 12.3% of fiscal 2026. The district anticipates further issuance as long full value grows and maintains a stable taxable ratio. After the current issuance, about \$5.1 million remains to be owed to developers.

The Baa3 GOULT is at the same level as the Baa3 issuer rating given a pledge of an unlimited property tax that is dedicated for debt service and levied upon all taxable property within the district.

RATING OUTLOOK

We do not assign outlooks to local government issuers with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Decrease in long-term liabilities to full value ratio below 8%
- Increased available fund balance to liabilities ratio above 20%

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Decrease in available fund balance and liquidity ratios below 100%
- Increase in long-term liabilities to full value above 20%

PROFILE

Leander MUD No. 1 is located in the extraterritorial jurisdiction of the City of Leander in Williamson County, approximately 30 miles northwest of Austin. Spanning 297 acres, the MUD finances road and utility infrastructure to serve the development, however all ongoing operations are conducted by the city. The district's population is estimated at about 1,800.

METHODOLOGY

The principal methodology used in this rating was US Special Purpose Districts published in December 2025 and available at <https://ratings.moody.com/rmc-documents/455982>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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