OFFICIAL STATEMENT DATED OCTOBER 27, 2026

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS (I) IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND (II) IS NOT AN ITEM OF TAX PREFERENCE FOR PURPOSES OF THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "TAX MATTERS" HEREIN, INCLUDING INFORMATION REGARDING POTENTIAL ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

THE BONDS HAVE BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS. SEE "TAX MATTERS—QUALIFIED TAX-EXEMPT OBLIGATIONS."

NEW ISSUE - Book-Entry-Only

Insured Rating ("AG"): S&P "AA"
Underlying Rating: Moody's "A3"
See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" herein.

$5,375,000
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
(A political subdivision of the State of Texas located within Travis County, Texas)
UNLIMITED TAX BONDS, SERIES 2026

Dated: November 1, 2026 **Due: September 1, as shown below**
Interest Accrual Date: Date of Delivery

Principal of the bonds described above (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., Austin, Texas (the "Paying Agent/Registrar," "Paying Agent" or "Registrar"). Interest on the Bonds will accrue from the date of initial delivery (expected to be on or about November 24, 2026) (the "Date of Delivery") and be payable on March 1, 2027 and on each September 1 and March 1 thereafter until the earlier of stated maturity or redemption. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be issued only in fully registered form in $5,000 denominations or integral multiplies thereof. The Bonds are subject to redemption prior to maturity as shown below.

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 directly to DTC, which will, in tum, 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."

ASSURED GUARANTY The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. ("AG" or the "Insurer").

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Due (September 1)	Principal Amount		Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Due (September 1)	Principal Amount		Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2028	$ 130,000		6.000%	3.500%	89440L NB6	2039	$ 220,000	(c)	4.500%	4.500%	89440L NN0
2029	135,000		6.000%	3.550%	89440L NC4	2040	235,000	(c)	4.500%	4.550%	89440L NP5
2030	145,000		6.000%	3.600%	89440L ND2	2041	245,000	(c)	4.500%	4.600%	89440L NQ3
2031	150,000		6.000%	3.700%	89440L NE0	2042	255,000	(c)	4.625%	4.650%	89440L NR1
2032	160,000		6.000%	3.800%	89440L NF7	2043	270,000	(c)	4.625%	4.750%	89440L NS9
2033	165,000	(c)	6.000%	3.900%	89440L NG5	2044	285,000	(c)	4.750%	4.850%	89440L NT7
2034	175,000	(c)	5.500%	4.000%	89440L NH3	2045	295,000	(c)	4.750%	4.900%	89440L NU4
2035	185,000	(c)	5.000%	4.100%	89440L NJ9	2046	310,000	(c)	4.750%	5.000%	89440L NV2
2036	190,000	(c)	4.125%	4.250%	89440L NK6	2047	330,000	(c)	4.750%	5.050%	89440L NW0
2037	200,000	(c)	4.250%	4.350%	89440L NL4	2048	345,000	(c)	4.750%	5.100%	89440L NX8
2038	210,000	(c)	4.375%	4.450%	89440L NM2						

$740,000 Term Bonds due September 1, 2050 (c), 89440L NZ3 (b), 4.75% Interest Rate, 5.15% Yield (a)

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

(b) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.

(c) Bonds maturing on or after September 1, 2033, are subject to redemption prior to maturity at the option of the District, in whole or in part from time to time, on September 1, 2032, or on any interest payment date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

The Bonds, when issued, will constitute valid and legally binding obligations of Travis County Municipal Utility District No. 21 (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. See "THE BONDS—Source of Security for Payment." The Bonds are obligations solely of the District and are not obligations of the State of Texas, Travis County, Texas, the City of Leander or any entity other than the District. The Bonds are subject to special investment risks described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered subject to prior sale, when, as and if issued by the District and accepted by the Underwriter, 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, Austin, Texas, Bond Counsel. Certain legal matters will be passed on for the District by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, as Disclosure Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about November 24, 2026.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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, orders, 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.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this OFFICIAL STATEMENT for purposes of, and as that term is defined in, Rule 15c2-12, as amended.

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 Underwriter and thereafter only as specified in "PREPARATION OF OFFICIAL STATEMENT—Updating the Official Statement."

Assured Guaranty Inc. ("AG" or the "Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this OFFICIAL STATEMENT or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer supplied by the Insurer and presented under the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the detailed information appearing elsewhere in this OFFICIAL STATEMENT. The summary should not be detached and should be used in conjunction with the more complete information contained herein.

THE BONDS

The Issuer..... Travis County Municipal Utility District No. 21 (the "District"), a political subdivision of the State of Texas, is located in Travis County, Texas. See "THE DISTRICT."

The Issue ..... $5,375,000 Unlimited Tax Bonds, Series 2026 (the "Bonds") are issued pursuant to an resolution (the "Bond Resolution") of the District's Board of Directors. The Bonds will be issued as fully registered bonds and are scheduled to mature serially on September 1 in the years 2028 through 2048, both inclusive, and as term bonds maturing on September 1, 2050 (the "Term Bonds") in the principal amounts and accrue interest at the rates shown on the cover page hereof. Interest on the Bonds accrues from the Date of Delivery (expected to be on or about November 24, 2026) and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until the earlier of stated maturity or prior redemption. See "THE BONDS."

Redemption ..... Bonds maturing on or after September 1, 2033, are subject to redemption, in whole or in part, from time to time, at the option of the District, prior to their maturity dates, on September 1, 2032, or on any interest payment date thereafter. Upon redemption, the Bonds will be payable at a price of par plus accrued interest to the date of redemption. The Term Bonds are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

Source of and Security for Payment..... The Bonds are payable from a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District (see "TAXING PROCEDURES"). The Bonds are obligations of the District and are not obligations of the State of Texas; Travis County, Texas; the City of Leander (the "City") or any other political subdivision or agency other than the District. See "THE BONDS—Source of and Security for Payment." The District is authorized to levy separate taxes, unlimited as to rate or amount, to pay debt service on bonds issued for the purpose of acquiring or constructing the System (as defined herein) and park and recreational facilities and to pay debt service on bonds issued for the purpose of constructing or acquiring the Road System (as defined herein).

Payment Record..... The District has previously issued seven series of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities, one series of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities, and four series of unlimited tax bonds for the purpose of acquiring or constructing road facilities, of which $56,535,000 principal amount was outstanding as of September 1, 2026 (the "Outstanding Bonds"). See "FINANCIAL STATEMENT—Outstanding Bonds." The District has never defaulted in the payment of principal and interest on its previously issued bonds.

Use of Proceeds ..... Proceeds from sale of the Bonds will be used, in part, to reimburse the Developer (hereinafter defined) for the construction costs shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS." Bond proceeds will also be used to capitalize twelve (12) months of interest on the Bonds, to pay developer interest, and to pay certain costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Qualified Tax-Exempt Obligations..... The Bonds have been designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Qualified Tax-Exempt Obligations."

Municipal Bond Rating And Insurance ..... S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") is expected to assign a municipal bond rating of "AA" (stable outlook) to the Bonds with the understanding that, upon delivery of the Bonds, a municipal bond insurance policy ensuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Inc. ("AG" or the "Insurer"). Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "A3" to the Bonds. An explanation of the ratings may be obtained from S&P and Moody's. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND RATING," "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

Authority for Issuance ..... The Bonds are the eighth series of bonds issued out of an aggregate $95,000,000 principal amount of unlimited tax bonds authorized by voters of the District at a bond election held within the District on November 5, 2013, for the purpose of constructing or acquiring water, sanitary sewer and drainage facilities and refunding. The Bonds are issued by the District pursuant to an order of the Texas Commission on Environmental Quality (the "Commission" or "TCEQ"), the terms and conditions of the Bond Resolution, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, and an election held within the District as described above. See "THE BONDS—Authority for Issuance," "—Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS—Future Debt."

Book-Entry-Only System ..... The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM."

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

Financial Advisor ..... Masterson Advisors LLC, Austin, Texas.

Disclosure Counsel ..... Orrick, Herrington & Sutcliffe LLP, Austin, Texas.

Paying Agent/Registrar ..... UMB Bank, N.A., Austin, Texas.

THE DISTRICT

Description and Location ..... The District is a political subdivision of the State of Texas and was created by order of the TCEQ, dated March 7, 2013. The District has all the rights, privileges, authority, and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including, without limitation, those conferred by Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended. The District is subject to oversight by the TCEQ under the provisions of the Texas Water Code. The District presently contains approximately 804 acres of land after an annexation of approximately 46 acres of land in September 2017 and approximately 19 acres of land in January 2016. The District is located in the northwest portion of Travis County approximately 4 miles southwest of the central area of the City of Leander, Texas (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. See "THE DISTRICT" and "AERIAL LOCATION MAP."

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, Section 1, Phases 1 and 2, Travisso, Phase 2, Sections 1A through 1H and 1K through 1M, Travisso, Phase 2, Sections 2A through 2H, Travisso, Phase 3, Sections 1 through 4, 7 and 10, Travisso, Phase 4, Sections 1 through 3, and Travisso, Phase 5, Section 1 (consisting of approximately 623 acres of land developed into 1,096 single-family residential lots). As of September 15, 2026, 2026, the District contained 1,074 single-family homes completed and occupied, 0 single-family home completed and not occupied, 9 single-family homes in various stages of construction, and 13 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 $2,300,000.

In addition to the development described above, the District contains approximately 10 acres that have been developed as an amenity center. Also, approximately 171 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 assets 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 Austin TX, LLC is wholly owned by Toll Brothers Inc, a publicly held company, the stock of which is listed on the New York Stock Exchange. See "THE DEVELOPER."

INVESTMENT CONSIDERATIONS

THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THIS ENTIRE OFFICIAL STATEMENT WITH RESPECT TO THE INVESTMENT SECURITY P ARTICULARLY THE SECTION CAPTIONED "INVESTMENT CONSIDERATIONS."

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2026 Taxable Assessed Valuation	$854,105,057	(a)
Gross Debt Outstanding (after the issuance of the Bonds)	$61,910,000	(b)
Ratio of Gross Debt to:		
2026 Taxable Assessed Valuation	7.25%	
2026 Tax Rate:		
Debt Service	$0.285	(c)
Maintenance and Operations	0.100	
Total	$0.385/$100 A.V.	(d)
2026 City of Leander Tax Rate	$0.417282/$100 A.V.	
Maximum Annual Debt Service Requirements (2028) of the Bonds and the Outstanding Bonds ("Maximum Annual Requirement")	$4,752,529	(e)
Average Annual Debt Service Requirements (2027-2050) of the Bonds and the Outstanding Bonds ("Average Annual Requirement")	$3,610,769	(e)
Tax rate required to pay Maximum Annual Requirement based upon:		
2026 Taxable Assessed Valuation at a 95% collection rate	$0.59/$100 A.V.	(f)(g)
Tax rate required to pay Average Annual Requirement based upon:		
2026 Taxable Assessed Valuation at a 95% collection rate	$0.45/$100 A.V.	(f)(g)

Status of Home Construction as of (h):

Single-Family Residential – Completed and Occupied	1,074
Single-Family Residential – Completed and Unoccupied	0
Single-Family Residential – Under Construction	9
Vacant Developed Lots	13
Total	1,096

Estimated 2026 Population — 3,759 (i)

(a) The 2026 Taxable Assessed Valuation provided by the Travis Central Appraisal District (the "Appraisal District") includes $828,276,106 of certified taxable value and an additional $25,828,951 of uncertified value for properties under protest. The District is unable to predict the amount of the District's final 2026 Taxable assessed valuation. Such final 2026 Taxable assessed valuation will not be determined until the valuation of all taxable property located within the District is certified by the Travis Appraisal Review Board. See "TAXING PROCEDURES."

(b) Includes the Bonds and the Outstanding Bonds. See "FINANCIAL STATEMENT—Outstanding Bonds."

(c) The District levied a total debt service tax rate in 2026 of $0.285, of which $0.215 is allocated for the Utility System and $0.07 is allocated for the Road System. See "TAX DATA—Tax Rate Distribution."

(d) See "TAX DATA—Tax Rate Distribution."

(e) See "DEBT SERVICE REQUIREMENTS."

(f) Pursuant to a Facilities Agreement with the City, the City is presently obligated to make an annual tax rebate payment to the District, the amount of which is currently $0.2371 per $100 of assessed valuation of City taxes collected on taxable property within the District. See "THE DISTRICT–Facilities Agreement". The District intends to apply the tax rebate amount received from the City to pay debt service on the Bonds and the Outstanding Bonds. However, such amount received from the City is not pledged to payment of the Bonds and the Outstanding Bonds and, therefore, is not included in the calculation of the tax rate requirements.

(g) See "TAX DATA—Tax Adequacy for Debt Service."

(h) See "THE DISTRICT—Status of Development."

(i) Estimate based on 3.5 persons per occupied single-family residence.

OFFICIAL STATEMENT

$5,375,000
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
(A political subdivision of the State of Texas located within Travis County, Texas)

UNLIMITED TAX BONDS
SERIES 2026

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Travis County Municipal Utility District No. 21 (the "District") of its $5,375,000 Unlimited Tax Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to an order of the Texas Commission on Environmental Quality (the "Commission" or "TCEQ"); Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas; a resolution adopted by the Board of Directors of the District (the "Board") authorizing the issuance of the Bonds (the "Bond Resolution"); and an election held within the District on November 5, 2013.

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Resolution, the Developer (defined herein), and certain other information about the District and its finances. 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 Allen Boone Humphries Robinson LLP, located at 919 Congress Avenue, Suite 1500, Austin, Texas 78701, upon payment of the costs of duplication therefor.

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 Underwriter with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") System. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

THE BONDS

General

The 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. 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 November 1, 2026, with interest accruing from the Date of Delivery (expected to be on or about November 24, 2026), and payable on each March 1 and September 1 (each an "Interest Payment Date") commencing March 1, 2027, until the earlier of stated maturity or prior redemption. The Bonds mature on September 1 in the amounts and years and accrue interest at the rates shown on the cover page of this OFFICIAL STATEMENT. Interest calculations are based on a 360-day year comprised of twelve 30-day months. The Bonds will be issued only in fully registered form in $5,000 denominations or integral multiples thereof.

Authority for Issuance

The Bonds are issued pursuant to an order of the TCEQ; Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas; the Bond Resolution; and an election held within the District on November 5, 2013.

The Bonds are the eighth series of bonds issued out of an aggregate $95,000,000 principal amount of unlimited tax bonds authorized by voters of the District for the purpose of acquiring or constructing water, wastewater and drainage facilities to serve the District (the "System") and refunding. In addition, voters of the District have authorized the issuance of an aggregate $32,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities to serve the District (the "Road System") and refunding, and $13,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing park and recreational facilities to serve the District and refunding.

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. 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

The principal and interest of the Bonds are payable from the proceeds of a continuing direct annual ad valorem without tax levied, legal limit as to rate or amount, against all taxable property within the District. 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; costs of collection, paying agent/registrar fees, and fees of the Appraisal District.

Net tax proceeds will be placed in the Utility Debt Service Fund and used solely to pay principal of and interest on the Bonds and additional bonds payable from taxes that may be issued for the System, and paying agent/registrar fees.

The District is authorized to levy separate taxes, unlimited as to rate or amount, to pay debt service on bonds issued for the System and park and recreational facilities and to pay debt service on bonds issued for the Road System.

The Bonds are obligations of the District and are not the obligations of the State of Texas; Travis County; the City of Leander (the "City") or any entity other than the District.

Method of Payment of Principal and Interest

In the Bond Resolution, the Board has appointed UMB Bank, N.A., Austin, Texas as the initial Paying Agent/Registrar for the Bonds. The principal and interest of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America. In the event the book-entry system is discontinued, principal of the Bonds shall be payable upon presentation and surrender of the Bonds as they respectively become due and payable, at the principal payment office of the Paying Agent/Registrar in Austin, Texas and interest on each Bond shall be payable by check or draft payable on each Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owner of record as of the close of business on the February 15 or August 15 immediately preceding each Interest Payment Date (defined herein as the "Record Date"), to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the "Register") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

If the date for payment of the principal of or interest on any Bond is a Saturday, Sunday, or day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed, then the date for such payment shall be the next succeeding day on which the Paying Agent/Registrar is open for business.

Funds

In the Bond Resolution, the Water, Sewer and Drainage Debt Service Fund is confirmed, and the proceeds from all taxes levied, assessed and collected for and on account of the Bonds and any additional unlimited tax bonds issued by the District for the System shall be deposited, as collected, in such fund. Twelve months of capitalized interest on the Bonds from the proceeds and sale of the Bonds shall be deposited into the Water, Sewer and Drainage Debt Service Fund upon closing of the Bonds. Amounts on deposit in the Water, Sewer and Drainage Debt Service Fund are to be used for payment of debt service on the Bonds and any of the District's bonds duly issued for the System that are payable in whole or in part from taxes. Amounts on deposit in the Water, Sewer, and Drainage Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of principal and interest on the Bonds and any additional bonds duly issued for the System that are payable in whole or in part from taxes. The remaining proceeds from sale of the Bonds, including interest earnings thereon, shall be deposited into the Water, Sewer and Drainage Capital Projects Fund and used to fund certain constructions 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.

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

No Arbitrage

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

Redemption Provisions

Mandatory Redemption: The Bonds maturing on September 1, 2050 (the "Term Bonds") shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), on September 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District's reserved right of optional redemption, as provided under "Optional Redemption" below):

$740,000 Term Bonds
Due September 1, 2050

Mandatory Redemption Date	Principal Amount
2049	$ 360,000
2050 (maturity)	380,000

On or before 30 days prior to each Mandatory Redemption Date set forth above, the Registrar shall (i) determine the principal amount of such Term Bond that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bond or portions of the Term Bond of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Resolution. The principal amount of any Term Bond to be mandatorily redeemed on such Mandatory Redemption Date shall be reduced by the principal amount of such Term Bond, which, by the 45th day prior to such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Optional Redemption: The District reserves the right, at its option, to redeem Bonds maturing on or after September 1, 2033, prior to their scheduled maturities, in whole or in part from time to time, in integral multiples of $5,000, on September 1, 2032, or on any interest payment 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 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).

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, from time to time, 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" or "Paying Agent" or "Registrar") for the Bonds. So long as any Bond 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."

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding. Registered owners of lost, stolen or destroyed bonds will be required to pay the District's costs to replace such bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

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, 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

The District may issue additional bonds that are necessary to finance improvements and facilities consistent with the purpose for which the District was created. After issuance of the Bonds, the District will have $44,030,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of constructing or acquiring the System and refunding of such bonds. The District also has $14,455,000 remaining of unlimited tax bonds authorized but unissued for constructing or acquiring the Road System and refunding, and $7,950,000 principal amount of authorized but unissued unlimited park bonds and refunding. 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, and in the case of the bonds for the System, subject to approval by the TCEQ and Attorney General of Texas. The District's issuance of bonds for acquiring or constructing the Road System is not subject to TCEQ approval. See "THE SYSTEM—Future Debt."

Before the District could issue park bonds payable from taxes, the District must get the approval of the park project(s) and bonds by the TCEQ and 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, the District may be abolished by City ordinance without the District's consent. Because the District lies wholly within the corporate limits of the City, the District would be abolished upon the adoption of such ordinance, and the City would assume the District's assets and obligations (including the Bonds). 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.

Consolidation

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

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

DTC 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 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, a political subdivision of the State of Texas, created by order of the TCEQ on March 7, 2013. The District has all the rights, privileges, authority, and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including, without limitation, those conferred by Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended. The District is subject to oversight by the TCEQ under the provisions of the Texas Water Code. 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 804 acres of land after an annexation of approximately 46 acres of land in September 2017 and approximately 19 acres of land in January 2016. The District is located in northwestern Travis County, within the corporate limits of the City, approximately 4 miles southwest of the central portion of the City, which City is located approximately 25 miles northwest of the central business district of Austin.

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 certain 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 the earlier of 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 appraised valuation of taxable property within the District. 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 result in the need for the District to increase its ad valorem tax rate to offset the loss of tax rebate amounts. 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 unlimited tax bonds permitted under the terms of the Facilities Agreement, the Tax Rebate shall be reduced by an amount equal to the decrease in the District's annual debt service requirements.

The District intends to apply the tax rebate amount received from the City to pay debt service on the Bonds and any additional bond issued by the District. However, such amount received from the City is not pledged to payment of such bonds. 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. See "THE BONDS—Source of and Security for Payment."

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 and the TCEQ, and TCEQ and Texas Attorney General 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 Travisso, Ltd. (the "Developer"), a Texas limited partnership, as Travisso. Water, sanitary sewer, and drainage facilities have been constructed to serve Travisso, Section 1, Phases 1 and 2, Travisso, Phase 2, Sections 1A through 1H and 1K through 1M, Travisso, Phase 2, Sections 2A through 2H, Travisso, Phase 3, Sections 1 through 4, 7 and 10, Travisso, Phase 4, Sections 1 through 3, and Travisso, Phase 5, Section 1 (consisting of approximately 623 acres of land developed into 1,096 single-family residential lots). As of September 15, 2026, 2026, the District contained 1,074 single-family homes completed and occupied, 0 single-family home completed and not occupied, 9 single-family homes in various stages of construction, and 13 developed lots available to new home construction.

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 $2,300,000. Construction of homes began in the District in 2014, and as of September 15, 2026, the District contained 1,083 single family homes completed or under construction as shown below:

Status of home construction as of September 15, 2026:

Single-Family Residential – Completed and Occupied	1,074
Single-Family Residential – Completed and Unoccupied	0
Single-Family Residential – Under Construction	9
Vacant Developer Lots	13
Total	1,096

In addition to the development described above, the District contains approximately 10 acres that have been developed as an amenity center. Also, approximately 171 acres of land are contained in drainage and detention easements and recreational and open space areas.

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:

Name	Title	Term Expires
Nick Voinis	President	May 2028
Jake Helmburg	Vice President	May 2030
Judd Messer	Secretary	May 2030
Tom Sellers	Assistant Vice President/Assistant Secretary	May 2028
Kendal Carrillo	Assistant Secretary	May 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, 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.

Engineer

The consulting engineer for the District in connection with the design and construction of the District's facilities is Pape-Dawson Consulting Engineers, LLC (the "Engineer").

Special Engineer for the Bonds

The District contracted with Jones-Heroy & Associates, Inc. as an engineering consultant to provide bond engineering services.

Attorney

The District engages Allen Boone Humphries Robinson LLP, Austin, Texas 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

The District engages Orrick, Herrington & Sutcliffe LLP, Austin, Texas, as Disclosure Counsel in connection with the issuance of the Bonds. 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

Masterson Advisors LLC (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, 2025, were audited by McCall Gibson Swedlund Barfoot Ellis PLLC (the "Auditor"). See APPENDIX A for a copy of the District's September 30, 2025 audited financial statements. The District has engaged the Auditor to audit its financial statements for fiscal year end September 30, 2026.

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 TCEQ 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 TCEQ 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 assets 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 Austin TX, LLC 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. The current development loan allows for annual extension options and on July 24, 2026, the maturity date was extended to December 31, 2028. As of September 30, 2026, the outstanding loan balance is $5,586,211. 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 or will be 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 11.999 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 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 28 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 January 22, 2020 and as amended by LOMR 22-06-1862P effective dated May 26,2023. Substantially all of the land within the 100-year floodplain is located within the drainage ditches and other drainage facilities.

In 2018, the National Weather Service completed a rainfall study known as Atlas 14 which shows that severe rainfall events are now occurring more frequently. Within Texas, the Atlas 14 study showed an increased number of rainfall events in a band extending from the upper Gulf Coast in the east and running west generally along the I-10 corridor to Central Texas. In particular the study shows that Central Texas is more likely to experience larger storms than previously thought. Based on this study, various governmental entities, including Travis County, are contemplating amendments to their regulations that will potentially increase the size of the 100 year floodplain which interim floodplain is based on the current 500-year floodplain, resulting in the interim floodplain regulations applying to a larger number of properties, and potentially increasing the size of detention ponds and drainage facilities required for future construction in all areas (not just in the floodplain). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on the higher statistical rainfall amount, and could result in higher insurance rates and stricter building codes for any property located within the expanded boundaries of the floodplain.

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 $4,439,818 (as of September 15, 2026) for design, construction and acquisition of District utilities and other improvements 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. 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 is 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, pay operating expenses, 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.

The estimated use and distribution of Bond proceeds is shown below. Of proceeds to be received from sale of the Bonds, $4,048,183 is estimated for construction costs and $1,326,817 is estimated for non-construction costs.

CONSTRUCTION COSTS		
Travisso Phase 5, Section 1	$	58,203
Travisso Phase 3, Section 10		2,956,112
Travisso Phase 4, Section 6 Shared Items		60,305
Travisso Phase 4, Sections, 7 and 8, Phase 5, Section 3 Shared Items		77,850
Travisso Phase 3, Section 5, Phase 4, Sections 1 - 3 Reclaimed Water		83,546
Travisso Phase 5, Section 1 Reclaimed Water		88,145
Travisso Phase 4, Section 5 Reclaimed Water		75,663
Travisso Phase 3, Sections 6 and 8 Reclaimed Water		76,519
Travisso Phase 4, Section 6 Reclaimed Water		73,949
Travisso Phase 4, Sections 7 and 8, Phase 5, Section 3 Reclaimed Water		87,103
Engineering and Testing		38,696
Land Costs		597,884
Subtotal Construction Costs	**$**	**4,273,975**
Less: Surplus Funds (a)		(225,792)
Total Construction Costs	**$**	**4,048,183**
NON-CONSTRUCTION COSTS		
Legal Fees	$	147,500
Financial Advisor Fees		107,500
Capitalized Interest (12 Months) (b)		262,769
Developer Interest (Estimated)		520,361
Bond Discount (b)		159,721
TCEQ Fee (0.25%)		13,438
Engineering Report		50,938
Bond Issuance Expenses		51,705
Attorney General Fee (0.1%)		5,375
Contingency (b)		7,510
Total Non-Construction Costs	**$**	**1,326,817**
TOTAL BOND ISSUE	**$**	**5,375,000**

(a) The District will utilize $225,792 of surplus capital projects funds to fund the projects approved in the TCEQ order approving the issuance of the Bonds. See "FINANCIAL STATEMENT."

(b) The Commission approved a maximum of $268,750 of capitalized interest, which equals twelve (12) months of interest at an estimated interest rate of 5.00% per annum and a maximum bond discount of $161,250, or 3.0% of the Bonds. Contingency represents the difference between the estimated and actual amounts of capitalized interest and Bond Discount.

In the event approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses in accordance with the rules of the Commission. In the event actual costs exceed previously approved estimated amounts and contingencies, additional Commission approval and the issuance of additional bonds may be required.

UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

Date of Authorization	Purpose	Amount Authorized	Issued to Date	Amount Unissued
11/5/2013	Water, Sanitary Sewer and Drainage Bonds and Refunding	$95,000,000	$50,970,000 *	$44,030,000
11/5/2013	Road Bonds and Refunding	$32,000,000	$17,545,000	$14,455,000
11/5/2013	Park Bonds and Refunding	$13,000,000	$5,050,000	$7,950,000

* Includes the Bonds.

FINANCIAL STATEMENT

2026 Taxable Assessed Valuation	$854,105,057 (a)
Direct Debt:	
Outstanding Bonds (as of September 1, 2026)	$56,535,000
The Bonds	5,375,000
Gross Direct Debt (after issuance of the Bonds)	$61,910,000
Ratio of Gross Direct Debt to:	
2026 Taxable Assessed Valuation	7.25%

Area of District — 804 acres
Estimated 2026 Population — 3,759 (b)

(a) The 2026 Taxable Assessed Valuation provided by the Appraisal District includes $828,276,106 of certified taxable value and an additional $25,828,951 of uncertified value for properties under protest. The District is unable to predict the amount of the District's final 2026 Taxable assessed valuation. Such final 2026 Taxable assessed valuation will not be determined until the valuation of all taxable property located within the District is certified by the Travis Appraisal Review Board. See "TAXING PROCEDURES."
(b) Based on 3.5 persons per single family residence.

Cash and Investment Balances (unaudited as of September 22, 2026)

Operating Fund	Cash and Temporary Investments	$3,245,601 (a)
Water, Wastewater, and Drainage Debt Service Fund	Cash and Temporary Investments	$2,526,897 (b)(c)
Road Debt Service Fund	Cash and Temporary Investments	$980,625 (c)
Water, Wastewater, and Drainage Capital Project Fund	Cash and Temporary Investments	$229,268 (d)
Road Capital Project Fund	Cash and Temporary Investments	$468,163

(a) See "INVESTMENT CONSIDERATIONS—Operating Funds."
(b) Does not include twelve (12) months of capitalized interest which will be deposited into such fund from Bond proceeds (amount equal to $262,769).
(c) Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the debt service fund for the System or the debt service fund for the Road System. Funds in the debt service fund for the System are pledged only to pay the debt service on bonds issued by the District for acquiring or constructing water, wastewater, and drainage facilities, including the Bonds, and are not available to pay debt service on bonds issued by the District for acquiring or constructing roads. Funds in the debt service fund for the Road System are pledged only to pay the debt service on bonds issued by the District for acquiring or constructing roads and are not available to pay debt service on bonds issued by the District for acquiring or constructing water, wastewater, and drainage facilities, including the Bonds.
(d) The District will utilize $225,792 of surplus capital projects funds to fund the projects approved in the TCEQ order approving the issuance of the Bonds.

Outstanding Bonds (as of September 1, 2026)

Series		Original Principal Amount	Outstanding Bonds (as of September 1, 2026)
2016		$ 6,000,000	$ 4,405,000
2016A		4,500,000	3,425,000
2016B	(a)	1,555,000	1,135,000
2017		6,650,000	5,310,000
2018		7,000,000	5,795,000
2019		7,000,000	6,025,000
2020		9,000,000	7,250,000
2021		5,445,000	4,545,000
2021A	(a)	5,500,000	4,550,000
2022	(a)	7,300,000	6,400,000
2023	(b)	5,050,000	4,650,000
2024	(a)	3,190,000	3,045,000
Total			$ 56,535,000

(a) Unlimited tax road bonds.
(b) Unlimited tax park bonds.

Investments of the District

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

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.

Taxing Jurisdiction	Outstanding Bonds (a)	As of	Overlapping Percent	Overlapping Amount
Travis County	$ 1,202,190,000	8/31/2026	0.260%	$ 3,125,694
Travis County Healthcare District	398,205,000	8/31/2026	0.260%	1,035,333
Austin Community College District	728,710,000	8/31/2026	0.200%	1,457,420
Leander Independent School District	1,547,891,568	8/31/2026	1.940%	30,029,096
City of Leander	279,700,000	8/31/2026	5.330%	14,908,010
Total Estimated Overlapping Debt				$ 50,555,553
The District	61,910,000 (b)	Current	100.00%	61,910,000
Total Direct and Estimated Overlapping Debt				$ 112,465,553

Ratio of Gross Debt and Estimated Overlapping Debt to:
2026 Taxable Assessed Valuation.....13.17%

(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 and the Outstanding Bonds.

Overlapping Tax Rates for 2026

	2026 Tax Rate per $100 of Taxable Assessed Valuation
Travis County	$ 0.386210
Travis County Healthcare District	0.132863
Leander Independent School District	1.116900
City of Leander	0.417282
Austin Community College District	0.103643
Total Overlapping Tax Rate	$ 2.156898
The District (a)	0.385000
Total Tax Rate	$ 2.541898

(a) The District levied a total tax rate of $0.385 per $100 of assessed valuation for the 2026 tax year. See "TAX DATA—Tax Rate Distribution."

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.

Tax Year	Certified Taxable Assessed Valuation	Tax Rate	Total Tax Levy	Total Collections as of July 31, 2026 (a) Amount	Percent
2022	$ 717,357,432	$ 0.365	$ 2,618,355	$ 2,618,306	99.99%
2023	789,278,986	0.365	2,880,868	2,878,476	99.92%
2024	827,263,446	0.365	3,019,512	3,015,200	99.86%
2025	867,579,126	0.375	3,253,422	3,224,569	99.11%
2026	854,105,057	0.385	3,288,304	(b)	(b)

(a) Unaudited.
(b) Taxes levied, and are due by January 31, 2027.

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. No split payments are allowed, and no discounts are allowed.

Tax Rate Distribution

	2026	2025	2024	2023	2022
Debt Service	$ 0.285 (a)	$ 0.250	$ 0.200	$ 0.290	$ 0.285
Maintenance and Operations	0.100	0.125	0.165	0.075	0.080
Total	$ 0.385	$ 0.375	$ 0.365	$ 0.365	$ 0.365

(a) The District levied a total debt service tax rate in 2026 of $0.285, of which $0.215 is allocated for the Utility System and $0.07 is allocated for the Road System.

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 2026 tax year, the Board levied a debt service tax in the amount of $0.285 per $100 assessed valuation as follows: $0.215 for Utility System debt service; $0.07 for Road System debt service.

Maintenance and Operations Tax

The Board 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 5, 2013, 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 2026 tax year, the Board levied a maintenance tax in the amount of $0.10 per $100 assessed valuation. Such tax is in addition to taxes that the District is authorized to levy for paying principal and interest on the District's bonds.

Tax Exemptions

As discussed in the section titled "TAXING PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. For tax year 2026, the District has not granted any residential homestead exemptions.

Additional Penalties

The District established an additional penalty of twenty percent (20%) of the tax to defray the costs of collection of delinquent taxes. 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. See "TAXING PROCEDURES––Levy and Collection of Taxes."

Principal Taxpayers

The following list of principal taxpayers was provided by the District's tax assessor/collector and represents the principal taxpayers' value as a percentage of the 2026 Certified Taxable Assessed Valuation of $828,276,106. This represents ownership as of January 1, 2026. An accurate principal taxpayer list related to the uncertified portion ($25,828,951) of the 2026 Taxable Assessed Valuation of $854,105,057 is not available as of the date hereof.

Taxpayer	Type of Property	2026 Certified Taxable Assessed Valuation	% of 2026 Certified Taxable Assessed Valuation
Toll Austin TX II LLC (a)	Land & Improvements	$ 5,933,071	0.72%
Individual	Homeowner	2,668,153	0.32%
Individual	Homeowner	2,667,283	0.32%
Individual	Homeowner	2,395,977	0.29%
Individual	Homeowner	2,283,956	0.28%
Individual	Homeowner	2,270,027	0.27%
Individual	Homeowner	2,207,441	0.27%
Individual	Homeowner	2,140,327	0.26%
Individual	Homeowner	2,079,178	0.25%
Individual	Homeowner	2,034,800	0.25%
Total		$ 26,680,213	3.22%

(a) The Developer. See "THE DEVELOPER."

Summary of Assessed Valuation

The following summary of the 2026, 2025 and 2024 Certified Taxable Assessed Valuations is provided by the District's Tax Assessor/Collector based on information provided by the Appraisal District and contained in the 2026, 2025 and 2024 certified tax rolls of the District. An accurate breakdown related to the uncertified portion ($25,828,951) of the 2026 Taxable Assessed Valuation of $854,105,057 is not available from the Appraisal District as of the date hereof.

	2026 Taxable Assessed Value	2025 Taxable Assessed Value	2024 Taxable Assessed Value
Land	$ 297,879,606	$ 414,466,909	$ 362,953,352
Improvements	563,568,826	525,815,706	571,260,640
Personal Property	207,709	355,114	475,299
Exemptions	(33,380,035)	(73,058,603)	(107,425,845)
Total Certified	$ 828,276,106	$ 867,579,126	$ 827,263,446
Uncertified Value	25,828,951	-	-
Total	$ 854,105,057	$ 867,579,126	$ 827,263,446

Tax Adequacy for Debt Service

The calculations shown below assume, solely for purposes of illustration, no increase or decrease in assessed valuation over the 2026 Taxable Assessed Valuation of $854,105,057 ($828,276,106 of certified value plus $25,828,951 of uncertified value), no use of available funds, and utilize tax rates necessary to pay the District's average and maximum annual debt service requirements on the Outstanding Bonds and the Bonds.

Maximum annual debt service requirement (2028)	$4,752,529
$0.59 tax rate on the 2026 Taxable Assessed Valuation of $854,105,057 at a 95% collection rate produces	$4,787,259
Average annual debt service requirement (2027-2050)	$3,610,769
$0.45 tax rate on the 2026 Taxable Assessed Valuation of $854,105,057 at a 95% collection rate produces	$3,651,299

No representation or suggestion is made that the uncertified portion of the 2026 Taxable Assessed Valuation will not be adjusted downward prior to certification by the Appraisal District, for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Outstanding Bonds, 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, the System, the Road System, and for the payment of certain contractual obligations. See "TAX DATA—Debt Service Tax" and "—Maintenance and Operations Tax."

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 Travis Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units within Travis County, Texas, including the District. Such appraisal values are subject to review and change by the Travis Central Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board will be used by the District to establish its tax rolls and tax rate.

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, and mobile homes, 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; most individually owned automobiles; and intangible personal property. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and of certain disabled persons, and travel trailers, to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by 20% of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans, or certain surviving dependents of disabled veterans if requested, but only to the maximum extent of $5,000 to $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to the exemption for the full amount of the residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran is entitled to an exemption for the full value of the veteran's residence homestead to which the disabled veterans' exemption applied including the surviving spouse of a disabled veteran who would have qualified for such exemption if it had been in effect on the date the disabled veteran died. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homesteads in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. 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%) 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. For tax year 2026, the District has not adopted a general homestead exemption.

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, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit

Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. 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. Thereafter, the City, 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 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.

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

District and Taxpayer Remedies

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

Levy and Collection of Taxes

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

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 herein.

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

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, may be required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District is made by the Board of Directors on an annual basis. The District was designated as a "Developing District" for tax year 2026. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "ESTIMATED OVERLAPPING DEBT STATEMENT—Overlapping Tax Rates for 2024." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both subject to the restrictions on residential homesteads described above under "Levy and Collection of Taxes." In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the cost of suit and sale, by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years for residential and agricultural property and six (6) months for commercial property 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—Tax Collection Limitations."

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 Outstanding Bonds and the Bonds but are available for any lawful purpose including payment of debt service on the Outstanding Bonds and the Bonds, at the discretion and upon action of the Board. 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 statement for fiscal years ended September 30, 2022 through 2025, and an unaudited summary for the ten-month period ended July 31, 2026 as provided by the District's bookkeeper. Reference is made to such statements and records for further and more complete information.

	10/1/2025 to 7/31/2026 (a)	Fiscal Year Ended September 30			
		2025	2024	2023	2022
	(Unaudited)				
Revenues					
Property Taxes, Including Penalties	$ 1,086,119	$ 1,368,911	$ 588,905	$ 576,008	$ 507,812
Interest and Other	88,627	92,913	80,162	53,257	6,947
Total Revenues	$ 1,174,746	$ 1,461,824	$ 669,067	$ 629,265	$ 514,759
Expenditures					
Director Fees, Including Payroll Taxes	$ 6,423	$ 11,657	$ 12,535	$ 10,724	$ 5,813
Repairs and Maintenance	133,788	163,780	245,122	142,876	46,965
Utilities	1,040	1,259	1,169	1,087	1,760
Legal Fees	115,317	155,966	89,181	104,768	110,663
Engineering Fees	23,253	28,107	28,774	40,743	23,248
Bookkeeping Fees	22,307	25,723	25,213	22,963	17,800
Auditor Fees	18,000	17,000	16,000	15,000	14,000
Insurance	17,405	17,844	18,383	18,232	16,282
Tax Appraisal/Collection Fees	5,395	8,254	3,587	3,044	2,628
Financial Advisor Fees	4,000	1,356	822	658	-
Other Consultant Fees	2,700	4,104	4,104	3,600	5,004
Public Notice	-	-	-	504	-
Other	4,896	1,630	1,808	1,818	2,698
Total Expenditures	$ 354,523	$ 436,680	$ 446,698	$ 366,017	$ 246,861
Other Sources (Developer Advances)	$ -	$ -	$ -	$ -	$ -
Revenues Over (Under) Expenditures	$ 820,223	$ 1,025,144	$ 222,369	$ 263,248	$ 267,898
Fund Balance (Beginning of Year)	$ 2,526,487	$ 1,501,343	$ 1,278,974	$ 1,015,726	$ 747,828
Fund Balance (End of Year)	$ 3,346,710	$ 2,526,487	$ 1,501,343	$ 1,278,974	$ 1,015,726

(a) Unaudited. Provided by the District's bookkeeper.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Outstanding Bonds and the Bonds.

Year	Outstanding Bonds Debt Service Requirements	Debt Service on the Bonds			Total Debt Service Requirements
		Principal	Interest	Total	
2027	$ 4,387,973		$ 202,186	$ 202,186	$ 4,590,158
2028	4,359,760	$ 130,000	262,769	392,769	4,752,529
2029	4,336,035	135,000	254,969	389,969	4,726,004
2030	4,309,773	145,000	246,869	391,869	4,701,641
2031	4,275,135	150,000	238,169	388,169	4,663,304
2032	4,247,098	160,000	229,169	389,169	4,636,266
2033	4,220,298	165,000	219,569	384,569	4,604,866
2034	4,208,860	175,000	209,669	384,669	4,593,529
2035	4,193,510	185,000	200,044	385,044	4,578,554
2036	4,170,048	190,000	190,794	380,794	4,550,841
2037	4,152,344	200,000	182,956	382,956	4,535,300
2038	4,125,801	210,000	174,456	384,456	4,510,258
2039	4,115,193	220,000	165,269	385,269	4,500,461
2040	4,090,318	235,000	155,369	390,369	4,480,686
2041	3,721,183	245,000	144,794	389,794	4,110,976
2042	3,507,031	255,000	133,769	388,769	3,895,800
2043	3,054,275	270,000	121,975	391,975	3,446,250
2044	2,572,725	285,000	109,488	394,488	2,967,213
2045	2,042,900	295,000	95,950	390,950	2,433,850
2046	1,585,025	310,000	81,938	391,938	1,976,963
2047	1,015,500	330,000	67,213	397,213	1,412,713
2048	582,150	345,000	51,538	396,538	978,688
2049	218,400	360,000	35,150	395,150	613,550
2050	-	380,000	18,050	398,050	398,050
Total	$ 77,491,331	$ 5,375,000	$ 3,792,117	$ 9,167,117	$ 86,658,448

Average Annual Debt Service Requirements (2027-2050) $3,610,769
Maximum Annual Debt Service Requirements (2028) $4,752,529

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the City of Leander, Travis County, Texas, the State of Texas, or any entity other than the District. Payment of the principal of and interest on the Bonds depends upon the ability of the District to collect taxes levied on all taxable property within the District in an amount sufficient to service the District's bonded debt or in the event of foreclosure, on the value of the taxable property in the District and the taxes levied by the District and other taxing authorities upon the property within the District. See "THE BONDS—Source of and Security for Payment." The collection by the District of delinquent taxes owed to it and the enforcement by Registered Owners of the District's obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that taxable property within the District will maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property or that owners of the property will have the ability to pay taxes. See "—Registered Owners' Remedies and Bankruptcy Limitations" herein.

Increase in Costs of Building Materials

As a result of supply issues, shipping constraints, and ongoing trade disputes (including tariffs), there have been recent substantial increases in the cost of lumber and other building materials, causing many homebuilders and general contractors to experience budget overruns. Further, the unpredictable nature of current trade policy (including the threatened imposition of tariffs) may impact the ability of the Developer or homebuilders in the District to estimate costs. Additionally, immigration policies may affect the State's workforce, and any labor shortages that could occur may impact the rate of construction within the District. Uncertainty surrounding availability and cost of materials may result in decreased levels of construction activity, and may restrict the growth of property values in the District. The District makes no representations regarding the probability of development or homebuilding continuing in a timely manner or the effects that current or future economic or governmental circumstances may have on any plans of the Developer or homebuilders.

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 Austin area, 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 23 miles from the central downtown business district of the City 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 23 miles from downtown Austin, could be affected by competition from other residential developments, including other residential developments located in the western 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.

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 owners of property within the District to pay their taxes. The 2026 Taxable Assessed Valuation is $854,105,057 ($828,276,106 certified plus $25,828,951 uncertified). After issuance of the Bonds, the maximum annual debt service requirement will be $4,752,529 (2028) and the average annual debt service requirement will be $3,610,769 (2027-2050, inclusive). Assuming no increase or decrease from the 2026 Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.59 and $0.45 per $100 of assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and average annual debt service requirement, respectively. See "DEBT SERVICE REQUIREMENTS." Although calculations have been made regarding the tax rate necessary to pay the maximum and average annual debt service on the Bonds based upon the 2026 Taxable Assessed Valuation, the District can make no representations regarding the future level of assessed valuation within the District. See "TAXING PROCEDURES" and "TAX DATA—Tax Adequacy for Debt Service."

Future Debt

At a bond election held within the District on November 5, 2013, the voters of the District authorized the issuance of $95,000,000 aggregate principal amount of unlimited tax bonds for the purpose of constructing or acquiring water, sanitary sewer and drainage facilities and refunding. After issuance of the Bonds, the District will have $44,030,000 authorized but unissued unlimited tax bonds for constructing or acquiring water, sanitary sewer and drainage facilities and refunding of such bonds. The District reserves in the Bond Resolution the right to issue the remaining $44,030,000 authorized but unissued unlimited tax bonds for the purpose of constructing or acquiring water, sanitary sewer and drainage facilities or refunding of such bonds, $14,455,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring road facilities and refunding such bonds, and $7,950,000 principal amount of unlimited tax bonds for recreational purposes and refunding of such bonds. See "THE BONDS—Issuance of Additional Debt" and "THE SYSTEM—Future Debt." 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. 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, and in the case of the bonds for the System, subject to approval by the TCEQ and Attorney General of Texas. The District's issuance of bonds for acquiring or constructing the Road System is not subject to TCEQ approval. Any additional bonds issued by the District may dilute the security for the Bonds.

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 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 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.

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.

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 parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be 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 "TAXING 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, if it fails to make payments into any fund or funds created in the Bond Resolution, or if it 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. 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 TCEQ as a condition to seeking relief under the Federal Bankruptcy Code. The TCEQ 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.

A district may not be forced into bankruptcy involuntarily.

Environmental Regulations

Wastewater treatment and water supply facilities are subject to stringent and complex environmental laws and regulations. Facilities must comply with environmental laws at the federal, state, and local levels. These laws and regulations can restrict or prohibit certain activities that affect the environment in many ways 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 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. Further, the EPA has established a NPDWR for six (6) Per- and Polyflouroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

The District is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. In order to maintain MS4 Permit compliance, the District is partnering with the city of Leander (the "City"), to participate in the City's program to develop, implement, and maintain the required plan (the "MS4 Permit Plan") as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. While the District does not have its own independent MS4 Permit Plan, the District has taken all necessary steps required by the City to be included in the City's MS4 Permit Plan in order to obtain MS4 Permit compliance with the TCEQ. If at any time in the future the District were required to maintain independent coverage under the MS4 Permit, it is anticipated that the District could incur substantial additional costs to develop and implement its own program necessary 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.

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 Underwriter 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.

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 should consult with their own tax advisors with respect to any proposed, pending or future legislation.

Cybersecurity

The District's consultants use digital technologies to collect taxes, hold funds and process disbursements. These systems necessarily hold sensitive protected information that is valued on the black market. As a result, the electronic systems and networks of organizations like the District's consultants are considered targets for cyber-attacks and other potential breaches of their systems. To the extent the District is determined to be the party responsible for various electronic systems or suffers a loss of funds due to a security breach, there could be a material adverse effect on the District's finances. Insurance to protect against such breaches is limited.

Risk Factors Related to the Purchase of Municipal Bond Insurance

The Underwriter has entered into an agreement with Assured Guaranty Inc. ("AG" or the "Insurer") for the purchase of a municipal bond insurance policy (the "Policy"). At the time of entering into the agreement, the Insurer was rated "AA" (stable outlook) by S&P. See "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

The long-term ratings on the Bonds are dependent in part on the financial strength of the bond 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. See description of "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE."

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. See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the 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, without legal limitation 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 Bond Counsel to a like effect and to the effect that, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

Bond Counsel has reviewed the information appearing in this OFFICIAL STATEMENT under "THE BONDS," "THE DISTRICT – General," "MANAGEMENT—Attorney," "TAXING 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 Orrick, Herrington & Sutcliffe 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 Underwriter to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District from that set forth or contemplated in the PRELIMINARY OFFICIAL STATEMENT as it may be amended or supplemented through the date of sale.

No-Litigation Certificate

The District will furnish the Underwriter a certificate, executed by both the President or Vice President and Secretary or Assistant Secretaryof the Board, and dated as of the date of delivery of the Bonds, to their knowledge, that there is not pending, and to their knowledge, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices.

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

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 bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond 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 that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the District and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the District and such parties, which Bond Counsel has not independently verified. If the District fails to comply with the covenants in the Bond Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Bond Resolution upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Bonds from gross income for federal income tax purposes.

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 thereof. 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 as to whether 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, regardless of the ultimate outcome of the audit.

Qualified Tax-Exempt Obligations

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

The District has designated the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2026 is not expected to exceed $10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than $10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2026.

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

Additional Federal Income Tax Considerations

Collateral Tax Consequences: Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15 percent alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Bonds could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also 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, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax 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.

Prospective purchasers of the Bonds should also be aware that, 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.

Tax Accounting Treatment of Original Issue Premium: If the issue price of any maturity of the Bonds exceeds the stated redemption price payable at maturity of such Bonds, such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

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

Tax Accounting Treatment of Original Issue Discount: If the issue price of any maturity of the Bonds is less than the stated redemption price payable at maturity of such Bonds (the "OID Bonds"), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Bonds. Generally, 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 OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions "TAX MATTERS—Tax Exemption" and "TAX MATTERS—Additional Federal Income Tax Considerations—Collateral Tax Consequences" and "—Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the OFFICIAL STATEMENT.

In the event of the redemption, sale or other taxable disposition of such OID Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such OID Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such OID Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this OFFICIAL STATEMENT. Neither the District nor Bond Counsel has made any investigation or offers any assurance that the OID Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each OID Bond accrues 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 date 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 OID Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and 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 (ii) 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 OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of OID 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 OID Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such OID Bonds.

Tax Legislative Changes: Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could 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 recently enacted, proposed, pending or future legislation.

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 Baker Group LP (the "Initial Purchaser" or "Underwriter") bearing the interest rates shown on the cover page hereof, at a price of 97.0285% of the principal amount thereof which resulted in a net effective interest rate of 4.945623% as calculated pursuant to Chapter 4 of the Texas Government Code.

Prices and Marketability

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

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

The District has no control over 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. Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by events. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the Securities and Exchange Commission 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 RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") is expected to assign a municipal bond rating of "AA" (stable outlook) with the understanding that, upon issuance and delivery of the Bonds, a municipal bond insurance policy ensuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Inc. ("AG" or the "Insurer"). Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "A3" to the Bonds. An explanation of the ratings may be obtained from S&P and Moody's. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

The ratings reflect only the view of such organizations and the District makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by S&P or Moody's, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG" or the "Insurer") will issue its municipal bond insurance policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX B to this OFFICIAL STATEMENT.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 3, 2026, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At June 30, 2026:

- The policyholders' surplus of AG was approximately $3,088 million.
- The contingency reserve of AG was approximately $1,569 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8 K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "MUNICIPAL BOND INSURANCE—Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this OFFICIAL STATEMENT or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "MUNICIPAL BOND INSURANCE."

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 Bookkeeper, 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

Masterson Advisors LLC 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, Masterson Advisors LLC has compiled and edited this OFFICIAL STATEMENT. The Financial Advisor has reviewed the information in this OFFICIAL STATEMENT in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

In approving this OFFICIAL STATEMENT, the District has relied upon the following consultants.

Engineer: The information contained in this OFFICIAL STATEMENT relating to engineering matters and to the description of the System and in particular that of engineering related information included in the sections entitled "THE DISTRICT," "THE SYSTEM" and "THE ROAD SYSTEM" has been provided by Pape-Dawson Consulting Engineers, LLC, and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering. Information related to the status of development within these sections was prepared with assistance from the Developer.

Appraisal District: The information contained in this OFFICIAL STATEMENT relating to the assessed valuations has been provided by the Travis Central 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, Texas, 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, 2025, were audited by McCall Gibson Swedlund Barfoot Ellis PLLC. See APPENDIX A for a copy of the District's September 30, 2025 audited financial statements.

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "GENERAL FUND OPERATIONS—Operating Statement" has been provided by Bott & Douthitt PLLC and is herein in reliance upon the authority of such firm as experts in tracking and managing the various funds of 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 Underwriter, of any adverse event which causes the OFFICIAL STATEMENT to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the OFFICIAL STATEMENT satisfactory to the Underwriter; 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 Underwriter, unless the Underwriter 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 of Directors 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 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 2027.

Any information so provided shall be prepared in accordance with generally accepted auditing standards or other such principals as the District may be required to employ from time to time pursuant to Texas law or regulation and audited, if the audit report is completed within the period during which it must be provided. If the audit report is not completed within such period, then the District shall provide unaudited financial statements for the applicable fiscal year through EMMA within such six (6) month period, and audited financial statements when the audit report becomes available.

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 via EMMA of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" 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 information, 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 to the MSRB. The MSRB makes the information available to the public without charge through the EMMA internet portal 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 the 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 to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or operations of the District, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments and/or interpretations of the Rule 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 the Rule 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 Underwriter 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

During the past five years, the District is in compliance in all material respects with its continuing disclosure agreements in accordance with the Rule.

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.

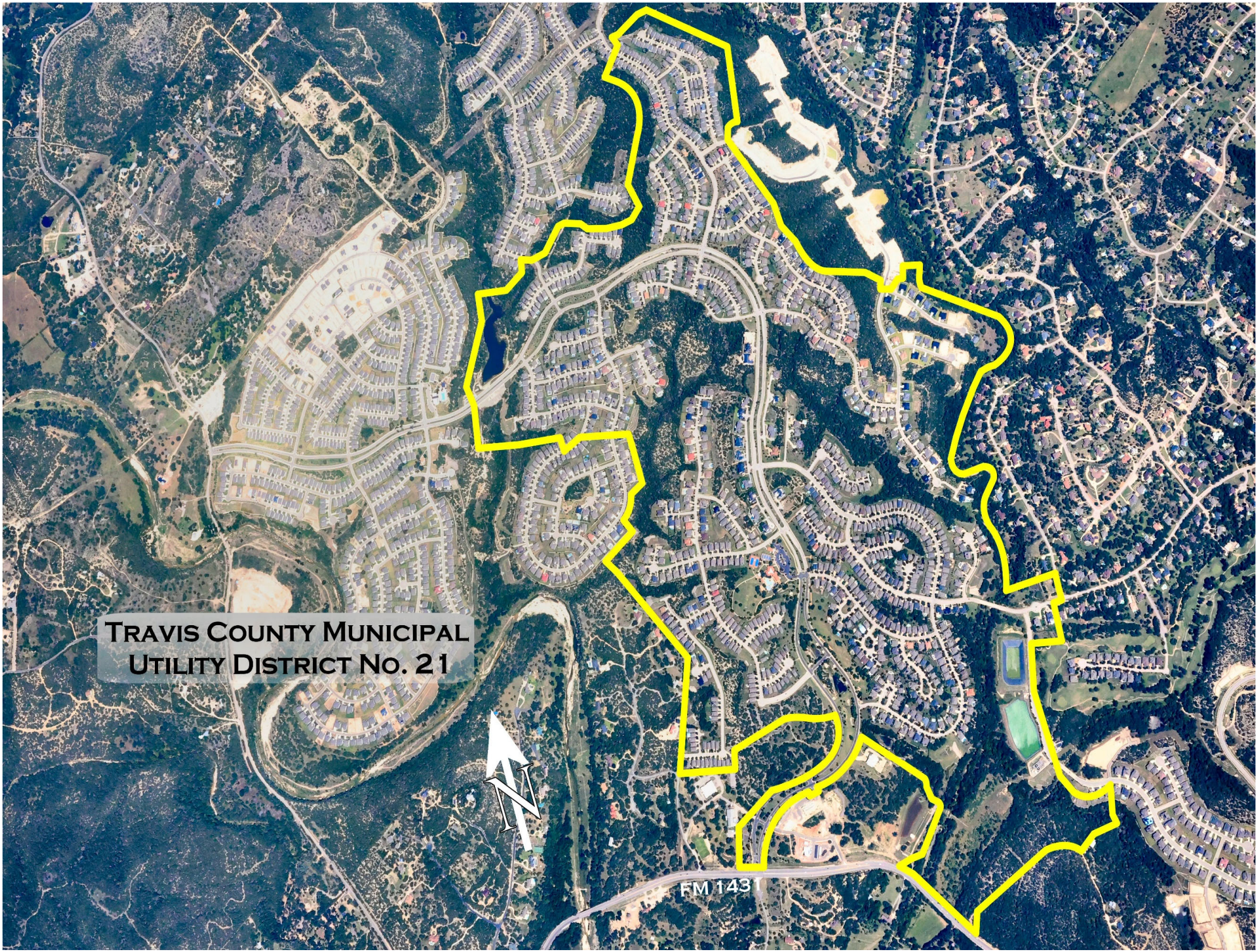
This OFFICIAL STATEMENT was approved by the Board, as of the date shown on the cover page.

/s/ Nick Voinis
President, Board of Directors
Travis County Municipal Utility District No. 21

ATTEST:

/s/ Judd Messer
Secretary, Board of Directors
Travis County Municipal Utility District No. 21

AERIAL LOCATION MAP
(Taken July 2026)


Travis County Municipal
Utility District No. 21
N
FM 1431

PHOTOGRAPHS OF THE DISTRICT
(Taken July 2026)




3929














NO PARKING
ON DRIVEWAY




THE PALAZZO
AT TRAVISSO



APPENDIX A

Independent Auditor's Report and Financial Statements for the fiscal year ended September 30, 2025

TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 21

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2025

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

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ANNUAL FILING AFFIDAVIT

ANNUAL FILING AFFIDAVIT

STATE OF TEXAS
COUNTY OF TRAVIS

I, Noel W. Barfoot of the
(Name of Duly Authorized District Representative)

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
(Name of District)

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **6th day of February, 2026**, its annual audit report for the fiscal year ended **September 30, 2025** and that copies of the annual audit report have been filed in the District's office, located at:

919 Congress Ave., Suite 1500
Austin, Texas 78701
(Address of District's Office)

This filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: February 12, 2026 By: Noel W. Barfoot
(Signature of Representative)

Noel W. Barfoot
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 12th day of February, 2026.

(SEAL)
TONIA FRENZA
My Notary ID # 132125859
Expires August 12, 2027

Tonia Frenza
(Signature of Notary)

My Commission Expires On: Aug 12, 2027
Notary Public in the State of Texas

Form TCEQ-0723 (Revised 7/2012)

INDEPENDENT AUDITOR’S REPORT

McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Travis County Municipal Utility District No. 21
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. 21 (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Houston | Austin | Dallas
13100 Wortham Center Drive, Suite 235, Houston, Texas 77065-5610 713-462-0341

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 Ellis PLLC

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

February 6, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of Travis County Municipal Utility District No. 21 (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2025. 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 $2,526,487 for the General Fund, an increase of $1,025,144 from the previous fiscal year. General Fund revenues increased from $669,067 in the previous fiscal year to $1,461,824 in the current fiscal year.
- *Debt Service Fund*: Fund balance restricted for debt service decreased from $3,017,972 from the previous fiscal year to $2,251,264 in the current fiscal year. The District paid down $2,345,000 of bond principal and $2,121,222 of bond interest during the current fiscal year.
- *Capital Projects Fund*: Fund balance restricted for capital projects decreased from $1,122,655 in the previous fiscal year to $642,522 in the current fiscal year. The District reimbursed a developer for capital assets constructed in a prior year.
- *Governmental Activities*: On a government-wide basis for governmental activities, the *District* had excess revenues over expenses of $1,564,111. Net position increased from a deficit balance of $6,185,353 to a deficit balance of $4,621,242.

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, and operates pursuant to Texas Water Code Chapter 49 and 54 for, among other purposes, financing, constructing, and/or operating water, wastewater, drainage, recreational, and road facilities to serve the District. The District consists of approximately 804 acres located entirely within Travis County and within the corporate limits of the City of Leander, Texas. 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. 21
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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.

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 Increase (Decrease)
	2025	2024	
Current and Other Assets	$ 5,493,950	$ 5,823,785	$ (329,835)
Non-Current Assets	49,336,828	49,936,192	(599,364)
Total Assets	$ 54,830,778	$ 55,759,977	$ (929,199)
Current Liabilities	$ 2,609,362	$ 2,691,819	$ (82,457)
Long-Term Liabilities	56,842,658	59,253,511	(2,410,853)
Total Liabilities	$ 59,452,020	$ 61,945,330	$ (2,493,310)
Net Investment in Capital Assets	$ (9,218,308)	$ (10,494,664)	$ 1,276,356
Restricted	2,105,898	2,845,978	(740,080)
Unrestricted	2,491,168	1,463,333	1,027,835
Total Net Position	$ (4,621,242)	$ (6,185,353)	$ 1,564,111

Revenues and Expenses:

Summary Statement of Activities

	Governmental Activities		Change Increase (Decrease)
	2025	2024	
Property taxes and interest	$ 5,216,735	$ 5,047,876	$ 168,859
Total Revenues	$ 5,216,735	$ 5,047,876	$ 168,859
Director fees	$ 11,657	$ 12,535	$ (878)
Professional fees	233,900	167,272	66,628
Developer interest	32,022	523,642	(491,620)
Other	207,772	288,937	(81,165)
Debt service	2,096,412	2,783,300	(686,888)
Depreciation	1,070,861	1,022,716	48,145
Total Expenses	$ 3,652,624	$ 4,798,402	$ (1,145,778)
Change in Net Position	$ 1,564,111	$ 249,474	$ 1,314,637
Beginning Net Position	(6,185,353)	(6,434,827)	249,474
Ending Net Position	$ (4,621,242)	$ (6,185,353)	$ 1,564,111

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

Revenues were $5,216,735 for the fiscal year ended September 30, 2025 while expenses were $3,652,624. Net position increased $1,564,111 from the previous fiscal year.

Property tax revenues in the current fiscal year totaled $3,036,716. 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 2024 tax year (September 30, 2025 fiscal year) were based upon a current assessed value of $827,843,312 and a tax rate of $0.365 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 $1,877,472 of tax rebates from the City of Leander, Texas in accordance with its Facilities Agreement.

ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds by Year

	2025	2024
Cash	$ 13,347	$ 19,455
Cash equivalent investments	5,443,832	5,746,636
Taxes receivable	26,070	32,995
Interfund and other	66,680	46,766
Prepaid costs	10,701	24,699
Total Assets	$ 5,560,630	$ 5,870,551
Accounts payable	$ 47,607	$ 148,820
Interfund	66,680	46,766
Total Liabilities	$ 114,287	$ 195,586
Deferred Inflows of Resources	$ 26,070	$ 32,995
Nonspendable	$ 10,701	$ 11,782
Restricted	2,893,786	4,140,627
Unassigned	2,515,786	1,489,561
Total Fund Balances	$ 5,420,273	$ 5,641,970
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,560,630	$ 5,870,551

For the fiscal year ended September 30, 2025, the District's governmental funds reflect a combined fund balance of $5,420,273, which included a $1,025,144 increase in the General Fund fund balance.

The Debt Service Fund reflected a decrease of $766,708 in fiscal year 2025. More detailed information about the District's debt is presented in the *Notes to the Financial Statements*. The District paid down $2,345,000 of bond principal and $2,121,222 of bond interest during the current fiscal year.

ANALYSIS OF GOVERNMENTAL FUNDS (continued)

The Capital Projects Fund purchases the District's infrastructure. The Capital Projects Fund had a $480,133 decrease in fund balance for fiscal year 2025, due to reimbursing a developer for prior year project costs.

BUDGETARY HIGHLIGHTS

The General Fund pays for daily operating expenditures. The Board adopted a budget on September 13, 2024. The budget included revenues of $1,349,334 and expenditures of $738,380. When comparing actual to budget, the District had a positive variance of $414,190. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information.*

CAPITAL ASSETS

As of September 30, 2025, the District's governmental activities had invested $49,336,828 in land, road improvements, park improvements and water/wastewater/drainage facilities. More detailed information about the District's capital assets is presented in the *Notes to the Financial Statements*.

LONG-TERM DEBT

The District has the following balances outstanding on unlimited tax bonds:

	Bonds Payable
Series 2016	$ 4,620,000
Series 2016A	3,575,000
Series 2016B	1,190,000
Series 2017	5,540,000
Series 2018	6,025,000
Series 2019	6,245,000
Series 2020	7,600,000
Series 2021	4,770,000
Series 2021A	4,750,000
Series 2022	6,700,000
Series 2023	4,800,000
Series 2024	3,120,000
Total	$ 58,935,000

The District owes approximately $58.9 million to bondholders. The ratio of the District's long-term debt to the total 2024 taxable assessed valuation ($827,843,312) is 7.1%. 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

The property tax assessed value and net taxable value for the 2025 tax year (fiscal year 2026) is approximately $869 million. The fiscal year 2025 tax rate is $0.375 on each $100 of taxable value, of which 33% will be used to fund general operating expenses of the District and 67% will be used to pay principal and interest on the District's outstanding debt.

The adopted budget for fiscal year 2026 projects a $298,322 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. 21
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - wide Statement of Net Position
ASSETS						
Cash and cash equivalents:						
Cash on deposit	$ 13,347	$ -	$ -	$ 13,347	$ -	$ 13,347
Cash equivalent investments	2,483,366	2,284,507	675,959	5,443,832	-	5,443,832
Receivables:						
Taxes	9,681	16,389	-	26,070	-	26,070
Interfund	66,680	-	-	66,680	(66,680)	-
Prepaid costs	10,701	-	-	10,701	-	10,701
Capital assets, net of accumulated depreciation:						
Land	-	-	-	-	6,785,928	6,785,928
Roads	-	-	-	-	10,263,169	10,263,169
Park and recreation	-	-	-	-	1,703,216	1,703,216
Water/wastewater/drainage	-	-	-	-	30,584,515	30,584,515
TOTAL ASSETS	$ 2,583,775	$ 2,300,896	$ 675,959	$ 5,560,630	49,270,148	54,830,778
LIABILITIES						
Accounts payable	$ 47,607	$ -	$ -	$ 47,607	-	47,607
Accrued interest payable	-	-	-	-	161,755	161,755
Interfund	-	33,243	33,437	66,680	(66,680)	-
Due to developer	-	-	-	-	45,000	45,000
Bonds payable:						
Due within one year	-	-	-	-	2,400,000	2,400,000
Due after one year	-	-	-	-	56,797,658	56,797,658
TOTAL LIABILITIES	47,607	33,243	33,437	114,287	59,337,733	59,452,020
DEFERRED INFLOWS OF RESOURCES						
Property taxes	9,681	16,389	-	26,070	(26,070)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	9,681	16,389	-	26,070	(26,070)	-
FUND BALANCES / NET POSITION						
Fund balances:						
Nonspendable - Prepaid	10,701	-	-	10,701	(10,701)	-
Restricted for Debt Service	-	2,251,264	-	2,251,264	(2,251,264)	-
Restricted for Authorized Construction	-	-	642,522	642,522	(642,522)	-
Unassigned	2,515,786	-	-	2,515,786	(2,515,786)	-
TOTAL FUND BALANCES	2,526,487	2,251,264	642,522	5,420,273	(5,420,273)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,583,775	$ 2,300,896	$ 675,959	$ 5,560,630		
NET POSITION						
Net investment in capital assets					(9,218,308)	(9,218,308)
Restricted for debt service					2,105,898	2,105,898
Unrestricted					2,491,168	2,491,168
TOTAL NET POSITION					$ (4,621,242)	$ (4,621,242)

The accompanying notes are an integral part of this statement.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - wide Statement of Activities
REVENUES:						
Property taxes, including penalties	$ 1,368,911	$ 1,674,730	$ -	$ 3,043,641	$ (6,925)	$ 3,036,716
Property taxes from City of Leander, TX	-	1,877,472	-	1,877,472	-	1,877,472
Interest and other	92,913	169,561	40,073	302,547	-	302,547
TOTAL REVENUES	1,461,824	3,721,763	40,073	5,223,660	(6,925)	5,216,735
EXPENDITURES / EXPENSES:						
Current:						
Director fees, including payroll taxes	11,657	-	-	11,657	-	11,657
Repairs and maintenance	163,780	-	-	163,780	-	163,780
Utilities	1,259	-	-	1,259	-	1,259
Legal fees	155,966	-	-	155,966	-	155,966
Engineering fees	28,107	-	-	28,107	-	28,107
Bookkeeping fees	25,723	-	-	25,723	-	25,723
Audit fees	17,000	-	-	17,000	-	17,000
Tax appraisal/collection fees	8,254	10,005	-	18,259	-	18,259
Financial advisor fees	1,356	-	-	1,356	-	1,356
Other consulting fees	4,104	1,644	-	5,748	-	5,748
Insurance	17,844	-	-	17,844	-	17,844
Developer interest	-	-	32,022	32,022	-	32,022
Other	1,630	5,000	-	6,630	-	6,630
Debt service:						
Principal	-	2,345,000	-	2,345,000	(2,345,000)	-
Interest	-	2,121,222	-	2,121,222	(47,097)	2,074,125
Fiscal agent fees	-	5,600	-	5,600	-	5,600
Bond issuance costs	-	-	16,687	16,687	-	16,687
Capital outlay	-	-	471,497	471,497	(471,497)	-
Depreciation	-	-	-	-	1,070,861	1,070,861
TOTAL EXPENDITURES / EXPENSES	436,680	4,488,471	520,206	5,445,357	(1,792,733)	3,652,624
NET CHANGE IN FUND BALANCES	1,025,144	(766,708)	(480,133)	(221,697)	221,697	-
CHANGE IN NET POSITION					1,564,111	1,564,111
FUND BALANCES / NET POSITION:						
Beginning of the year	1,501,343	3,017,972	1,122,655	5,641,970	(11,827,323)	(6,185,353)
End of the year	$ 2,526,487	$ 2,251,264	$ 642,522	$ 5,420,273	$ (10,041,515)	$ (4,621,242)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Travis County Municipal Utility District No. 21 (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, and operates pursuant to Texas Water Code Chapter 49 and 54 for, among other purposes, financing, constructing, and/or operating water, wastewater, drainage, recreational, and road facilities to serve the District. The District consists of approximately 804 acres located entirely within Travis County and within the corporate limits of the City of Leander, Texas. 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 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.

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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Budgets and Budgetary Accounting - An unappropriated budget was adopted on August 29, 2024 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 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.

Capital Assets - Capital assets, which include land, roads, parks, and utility infrastructure 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. Capital assets are depreciated using the straight-line method over the estimated useful lives ranging between 15 and 50 years for roads, parks, and utility infrastructure.

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.

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.

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		$ 5,420,273
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Capital assets	55,061,020	
Less: Accumulated depreciation	(5,724,192)	49,336,828
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.		26,070
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Due to developer	(45,000)	
Bonds payable	(58,935,000)	
Issuance discounts/premiums, net of amortization	(262,658)	
Accrued interest	(161,755)	(59,404,413)
Net Position - Governmental Activities		$ (4,621,242)

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		$ (221,697)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report:		
Property tax revenue in year collected	(6,925)	
Principal in year paid	2,345,000	
Interest expenditures in year paid	47,097	
Capital outlay in year paid	471,497	2,856,669
Governmental funds do not report -		
Depreciation		(1,070,861)
Change in Net Position - Governmental Activities		$ 1,564,111

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, 2025, the carrying amount of the District's deposits was $13,347 and the bank balance was $29,517. 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.

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 Hermes, 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, 2025, the District held the following investments:

		Governmental Fund			Investment Rating	
		General	Debt Service	Capital Projects		
Investment	Fair Value 9/30/2025	Unrestricted	Restricted (1)	Restricted (2)	Rating	Rating Agency
TexPool	$ 5,443,832	$ 2,483,366	$ 2,284,507	$ 675,959	AAAm	Standard & Poors
	$ 5,443,832	$ 2,483,366	$ 2,284,507	$ 675,959		

(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, 2025, 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, 2025, the District's bank deposits were fully covered by FDIC insurance.

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 2024 tax year on September 13, 2024.

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 4 tax roll. The tax rate, based on the total taxable assessed valuation of $827,843,312 was $0.365 on each $100 valuation and was allocated $0.165 to the General Fund and $0.200 to the Debt Service Fund. The maximum allowable maintenance tax of $1.20 was established by the voters on November 5, 2013.

Property taxes receivable at September 30, 2025, were as follows:

	General Fund	Debt Service Fund	Total
Current year levy	$ 7,696	$ 9,328	$ 17,024
Prior years' levies	1,985	7,061	9,046
	$ 9,681	$ 16,389	$ 26,070

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 developer, and the City of Leander (the "City"), as assigned and amended, the District began receiving tax rebate payments from the City starting the year the District levied its initial debt service ad valorem tax, which occurred in fiscal year 2017 for tax year 2016. 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, 2025, the District recognized $1,877,472 in property tax revenue from the City.

5. INTERFUND ACCOUNTS

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, 2025:

	Interfund	
	Receivables	Payables
General Fund:		
Debt Service Fund	$ 33,243	$ -
Capital Projects Fund	33,437	-
Debt Service Fund -		
General Fund	-	33,243
Capital Projects Fund -		
General Fund	-	33,437
	$ 66,680	$ 66,680

6. CHANGES IN CAPITAL ASSETS

The District conveys certain of its infrastructure to the City for operations and maintenance. In exchange for the conveyance of the assets, the City agrees to provide utility services and maintenance and operations related to such infrastructure. The District retains significant residual interest in such facilities and, therefore, continues to record the facilities as capital assets of the District. A summary of changes in capital assets follows:

	10/1/2024	Additions	Deletions	9/30/2025
Capital assets not being depreciated -				
Land	$ 6,785,928	$ -	$ -	$ 6,785,928
Capital assets being depreciated -				
Roads	11,069,095	-	-	11,069,095
Park and recreation	1,952,732	-	-	1,952,732
Water/wastewater/drainage	34,781,768	471,497	-	35,253,265
Total capital assets being depreciated	47,803,595	471,497	-	48,275,092
Less accumulated depreciation for -				
Roads	(584,544)	(221,382)	-	(805,926)
Park and recreation	(119,334)	(130,182)	-	(249,516)
Water/wastewater/drainage	(3,949,453)	(719,297)	-	(4,668,750)
Total accumulated depreciation	(4,653,331)	(1,070,861)	-	(5,724,192)
Total capital assets being depreciated, net of accumulated depreciation	43,150,264	(599,364)	-	42,550,900
Total capital assets, net	$ 49,936,192	$ (599,364)	$ -	$ 49,336,828

7. BONDED DEBT

The following is a summary of bond transactions of the District for the year ended September 30, 2025:

	Unlimited Tax and Revenue Bonds
Bonds payable at October 1, 2024	$ 61,280,000
Bonds issued	-
Bonds refunded	-
Bonds retired	(2,345,000)
Bond discount/premium, net	262,658
Bonds payable at September 30, 2025	$ 59,197,658

Bonds payable at September 30, 2025, are comprised of the following individual issues:

Unlimited Tax Bonds:

$4,620,000 – 2016 Unlimited Tax Bonds payable serially through the year 2040 at interest rates which range from 2.50% to 3.75%. Bonds maturing on or after September 1, 2027, are callable prior to maturity beginning on September 1, 2026. Bonds maturing September 1, 2040 are term bonds and are subject to mandatory sinking fund redemption.

$3,575,000 – 2016A Unlimited Tax Bonds payable serially through the year 2041 at interest rates which range from 3.50% to 4.30%. Bonds maturing on or after September 1, 2027, are callable prior to maturity beginning on September 1, 2026. Bonds maturing September 1, 2030, 2035 and 2041 are term bonds and are subject to mandatory sinking fund redemption.

$5,540,000 – 2017 Unlimited Tax Bonds payable serially through the year 2042 at interest rates which range from 3.50% to 3.625%. Bonds maturing on or after September 1, 2028, are callable prior to maturity beginning on September 1, 2027. Bonds maturing September 1, 2042 are term bonds and are subject to mandatory sinking fund redemption.

$6,025,000 – 2018 Unlimited Tax Bonds payable serially through the year 2043 at interest rates which range from 3.00% to 4.00%. Bonds maturing on or after September 1, 2029, are callable prior to maturity beginning on September 1, 2028. Bonds maturing September 1, 2033, 2035, 2037, 2039, 2041 and 2043 are term bonds and are subject to mandatory sinking fund redemption.

$6,245,000 – 2019 Unlimited Tax Bonds payable serially through the year 2044 at interest rates which range from 2.00% to 3.00%. Bonds maturing on or after September 1, 2030, are callable prior to maturity beginning on September 1, 2029. Bonds maturing September 1, 2041 and 2044 are term bonds and are subject to mandatory sinking fund redemption.

7. BONDED DEBT (continued) -

Unlimited Tax Bonds: (continued)

$7,600,000 – 2020 Unlimited Tax Bonds payable serially through the year 2045 at interest rates which range from 2.00% to 2.25%. Bonds maturing on or after September 1, 2031, are callable prior to maturity beginning on September 1, 2030. Bonds maturing September 1, 2045 are term bonds and are subject to mandatory sinking fund redemption.

$4,770,000 – 2021 Unlimited Tax Bonds payable serially through the year 2046 at interest rates which range from 2.00% to 3.00%. Bonds maturing on or after September 1, 2032, are callable prior to maturity beginning on September 1, 2031. Bonds maturing September 1, 2038, 2042 and 2046 are term bonds and are subject to mandatory sinking fund redemption.

Unlimited Tax Road Bonds:

$1,190,000 – 2016B Unlimited Tax Road Bonds payable serially through the year 2041 at interest rates which range from 3.50% to 4.30%. Bonds maturing on or after September 1, 2027, are callable prior to maturity beginning on September 1, 2026. Bonds maturing September 1, 2030, 2033, 2035, 2037 and 2041 are term bonds and are subject to mandatory sinking fund redemption.

$4,750,000 – 2021A Unlimited Tax Road Bonds payable serially through the year 2046 at interest rates which range from 2.00% to 3.00%. 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.

$6,700,000 – 2022 Unlimited Tax Road Bonds payable serially through the year 2047 at interest rates which range from 4.125% to 5.00%. Bonds maturing on or after September 1, 2033, are callable prior to maturity beginning on September 1, 2032. Bonds maturing September 1, 2044 and 2047 are term bonds and are subject to mandatory sinking fund redemption.

$3,120,000 – 2024 Unlimited Tax Road Bonds payable serially through the year 2049 at interest rates which range from 4.00% to 5.00%. Bonds maturing on or after September 1, 2035, are callable prior to maturity beginning on September 1, 2034. Bonds maturing September 1, 2037, 2039, 2043, 2045, 2047, and 2049 are term bonds and are subject to mandatory sinking fund redemption.

Unlimited Tax Park Bonds:

$4,800,000 – 2023 Unlimited Tax Park Bonds payable serially through the year 2048 at interest rates which range from 4.00% to 5.00%. Bonds maturing on or after September 1, 2034, are callable prior to maturity beginning on September 1, 2033. Bonds maturing September 1, 2048 are term bonds and are subject to mandatory sinking fund redemption.

7. BONDED DEBT (continued) -

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. The annual requirements to amortize all bonded debt at September 30, 2025, including interest, are as follows:

	Annual Requirements for All Series		
Year Ended September 30, 2025	Principal	Interest	Total
2026	$ 2,400,000	$ 2,019,148	$ 4,419,148
2027	2,450,000	1,937,968	4,387,968
2028	2,505,000	1,854,759	4,359,759
2029	2,565,000	1,771,037	4,336,037
2030	2,625,000	1,684,773	4,309,773
2031-2035	14,095,000	7,049,903	21,144,903
2036-2040	16,095,000	4,558,701	20,653,701
2041-2045	13,045,000	1,853,118	14,898,118
2046-2049	3,155,000	246,074	3,401,074
	$ 58,935,000	$ 22,975,481	$ 81,910,481

$2,251,264 is available in the Debt Service Fund to service the bonded debt. Bonds authorized but not issued as of September 30, 2025, include $49,405,000, $7,950,000, and $14,455,000 for utility, parks and recreation, and road bonds, respectively.

8. COMMITMENTS AND CONTINGENCIES

The developer of land within the District has incurred costs for the acquisition and construction of facilities, as well as costs pertaining to the operation of the District. Claims for reimbursement of such costs will be evaluated upon receipt of adequate supporting documentation and proof of contractual obligation. Such costs may be reimbursable to the developer by the District from proceeds of future District bond issues or other lawfully available funds, subject to approval by the Texas Commission on Environmental Quality, as applicable.

On November 5, 2013, a bond election held within the District approved authorization to issue $95,000,000 of bonds to fund costs of water, wastewater, and drainage system facilities to serve the District and refunding of such bonds. Additionally, $13,000,000 of bonds to fund costs for parks and recreational facilities and the refunding of such bonds; and $32,000,000 to fund road improvements and the refunding of such bonds were approved by voters of the District at the November 5, 2013, bond election. The District, as of September 30, 2025, has issued $45,595,000 of unlimited tax bonds, $17,545,000 of unlimited tax road bonds, and $5,050,000 of unlimited tax park bonds to repay the developer. As of September 30, 2025, the District owes the developer $45,000 for advances used to fund District operating expenditures, in addition to costs incurred for acquisition and construction of facilities that the District has agreed to reimburse such developer.

9. FACILITIES AGREEMENT

The City, the District, and the developer entered into that certain Facilities Agreement, dated July 20, 2012, as assigned and amended, which obligates the District to acquire, construct, and extend certain water, wastewater, storm drainage, roads, and park and recreation facilities to serve the District (such facilities, as defined in the Facilities Agreement, the "District Improvements"). The Facilities Agreement provides that certain of the District Improvements are to be conveyed to the City following completion and that the City will then operate and maintain such facilities. In consideration thereof, the City agreed to rebate to the District $0.2371 per $100 of assessed valuation of City taxes collected on taxable property within the District each year. The tax rebate payments began in the year that the District levied its initial debt service ad valorem property tax and will continue thereafter until terminated in accordance with the terms of the Facilities Agreement. The tax rebate payments received by the District are used to pay debt service on the District's outstanding bonds. However, such amounts received from the City are not pledged to payment of such bonds.

10. COST SHARING AGREEMENT

The District has entered certain cost sharing agreements with Travis County MUD No. 19 and Travis County MUD No. 20. Facilities included in the respective cost sharing agreements include water, wastewater, drainage, road, and park and recreational facilities that will serve land within each of the three districts. Each district, including the District, is responsible for its pro rata share of costs to design and construct the applicable facilities in accordance with the terms of the respective cost sharing agreements.

11. 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.

12. USE OF SURPLUS FUNDS

On February 18, 2025, the Commission approved the use of surplus bond funds totaling $510,535 to reimburse the developer for costs associated with various infrastructure improvements serving the District. The District reimbursed the developer $503,519 during the current fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SEPTEMBER 30, 2025

	Actual	Original and Final Budget	Variance Positive (Negative)
REVENUES:			
Property taxes, including penalties	$ 1,368,911	$ 1,337,334	$ 31,577
Interest and other	92,913	12,000	80,913
TOTAL REVENUES	1,461,824	1,349,334	112,490
EXPENDITURES:			
Current:			
Director fees, including payroll taxes	11,657	13,260	1,603
Repairs and maintenance	163,780	429,800	266,020
Utilities	1,259	2,400	1,141
Legal fees	155,966	151,600	(4,366)
Engineering fees	28,107	48,000	19,893
Bookkeeping fees	25,723	27,600	1,877
Audit fees	17,000	17,000	-
Tax appraisal/collection fees	8,254	5,100	(3,154)
Financial advisor fees	1,356	1,000	(356)
Other consulting fees	4,104	8,300	4,196
Insurance	17,844	25,000	7,156
Public notice	-	1,200	1,200
Other	1,630	8,120	6,490
TOTAL EXPENDITURES	436,680	738,380	301,700
NET CHANGE IN FUND BALANCE	1,025,144	$ 610,955	$ 414,190
FUND BALANCE			
Beginning of the year	1,501,343		
End of the year	$ 2,526,487		

The accompanying notes are an integral part of this statement.

TEXAS SUPPLEMENTARY INFORMATION

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-1. SERVICES AND RATES
SEPTEMBER 30, 2025

1. Services Provided by the District during the Fiscal Year:

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

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

☐ Other (specify):_____

2. Retail Service Providers

a. Retail Rates Based on 5/8" Meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	$ -	N/A	N/A	$ -	
WASTEWATER:	$ -	N/A	N/A	$ -	
SURCHARGE:	$ -	-	-		

District employs winter averaging for wastewater usage? Yes ☐ No ☐

Total charges per 10,000 gallons usage: Water $ - Wastewater $ -

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
Unmetered	0.0	0.0	1.0	0.0
< 3/4"	0.0	0.0	1.0	0.0
1"	0.0	0.0	2.5	0.0
1 1/2"	0.0	0.0	5.0	0.0
2"	0.0	0.0	8.0	0.0
3"	0.0	0.0	16.0	0.0
4" compound	0.0	0.0	25.0	0.0
4" turbine	0.0	0.0	50.0	0.0
6" compound	0.0	0.0	50.0	0.0
6" turbine	0.0	0.0	100.0	0.0
Total Water	0.0	0.0		0.0
Total Wastewater	0.0	0.0	1.0	0.0

NOTE: The City of Leander, Texas provides retail water and wastewater services to users within the District.

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system: -

Gallons billed to customers: -

Water Accountability Ratio
(Gallons billed / Gallons Pumped)
n/a

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District assess standby fees? Yes ☐ No ☒

If yes, Date of the most recent Commission Order: _____

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

If yes, Date of the most recent Commission Order: _____

5. Location of District

County(ies) in which district is located: Travis

Is the District located entirely within one county? Yes ☒ No ☐

Is the District located within a city? Entirely ☒ Partly ☐ Not at all ☐

City(ies) in which district is located: City of Leander, Texas

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

Entirely ☐ Partly ☐ Not at all ☒

ETJ's in which district is located: _____

Are Board members appointed by an office outside the district?

Yes ☐ No ☒

If Yes, by whom? _____

NOTE: The City of Leander, Texas provides retail water and wastewater services to users within the District.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-2. GENERAL FUND EXPENDITURES
SEPTEMBER 30, 2025

Personnel Expenditures (including benefits)	$	-
Professional Fees:		
Auditing		17,000
Legal		155,966
Engineering		28,107
Financial Advisor		1,356
Purchased Services for Resale:		
Bulk Water and Wastewater Purchases		-
Contracted Services:		
Bookkeeping		25,723
Appraisal District		8,254
Other Contracted Services		4,104
Utilities		1,259
Repairs and Maintenance		163,780
Administrative Expenditures:		
Directors' Fees		11,657
Insurance		17,844
Other Administrative Expenditures		1,630
Capital Outlay:		
Capitalized Assets		-
Expenditures not Capitalized		-
Tap Connection Expenditures		-
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
TOTAL EXPENDITURES	$	436,680

Number of persons employed by the District: - Full-Time - Part-Time

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-3. TEMPORARY INVESTMENTS
SEPTEMBER 30, 2025

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
General Fund:					
TexPool	XXX0003	Varies	Daily	$ 2,483,366	$ -
Total				2,483,366	-
Debt Service Fund:					
TexPool	XXX0001	Varies	Daily	81,828	-
TexPool	XXX0002	Varies	Daily	1,011,018	-
TexPool	XXX0011	Varies	Daily	728,228	-
TexPool	XXX0022	Varies	Daily	71,452	-
TexPool	XXX0024	Varies	Daily	248,300	-
TexPool	XXX0026	Varies	Daily	143,681	-
Total				2,284,507	-
Capital Projects Fund:					
TexPool	XXX0019	Varies	Daily	23,363	-
TexPool	XXX0023	Varies	Daily	324,784	-
TexPool	XXX0025	Varies	Daily	198,847	-
TexPool	XXX0027	Varies	Daily	128,965	-
Total				675,959	-
Total - All Funds				$ 5,443,832	$ -

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-4. TAXES LEVIED AND RECEIVABLE
SEPTEMBER 30, 2025

		Maintenance Taxes	Debt Service Taxes
Taxes Receivable, Beginning of Year		$ 6,990	$ 26,005
2024 Tax Levy		1,368,463	1,658,743
Tax Adjustments		(1,359)	(1,648)
Prior Year Tax Adjustments		302	1,109
Total to be accounted for		1,374,396	1,684,209
Tax collections:			
Current year		1,359,408	1,647,767
Prior years		5,307	20,052
Total collections		1,364,715	1,667,819
Taxes Receivable, End of Year		$ 9,681	$ 16,389
Taxes Receivable, By Years			
2023 and before		$ 1,985	$ 7,061
2024		7,696	9,328
Taxes Receivable, End of Year		$ 9,681	$ 16,389
Property Valuations:	**2024**	2023	2022
Land and improvements	**$ 827,843,312** (a)	$ 789,153,903 (a)	$ 717,113,790 (a)
Total Property Valuations	**$ 827,843,312** (a)	$ 789,153,903 (a)	$ 717,113,790 (a)
Tax Rates per $100 Valuation:			
Debt Service tax rates	**$ 0.2000**	$ 0.2900	$ 0.2850
Maintenance tax rates	**0.1650**	0.0750	0.0800
Total Tax Rates per $100 Valuation:	**$ 0.3650**	$ 0.3650	$ 0.3650
Original Tax Levy	**$ 3,027,206**	$ 2,887,923	$ 2,659,833
Percent of Taxes Collected to Taxes Levied **	**99.4%**	99.8%	99.9%
Maximum Maintenance Tax Rate Approved by Voters:	**$ 1.20 on**	**11/5/2013**	

(a) Valuations are provided by the appropriate Appraisal District. Due to various factors, including tax protests and disputes, such valuations change over time; therefore, they may vary slightly from those disclosed in the District's bond offering documents or the District's annual bond disclosure filings.

** Calculated as taxes collected in current and previous years divided by tax levy. Calculated as of the time of the original tax levy and may vary from that provided in the District's bond offering documents or the District's annual bond disclosure filings.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
SEPTEMBER 30, 2025

Fiscal Year Ending	Unlimited Tax Bonds Series 2016			Unlimited Tax Bonds Series 2016A			Unlimited Tax Road Bonds Series 2016B			Unlimited Tax Bonds Series 2017			Unlimited Tax Bonds Series 2018		
	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total
2026	$ 215,000	$ 162,025	$ 377,025	$ 150,000	$ 148,724	$ 298,724	$ 55,000	$ 49,010	$ 104,010	$ 230,000	$ 194,988	$ 424,988	$ 230,000	$ 229,876	$ 459,876
2027	225,000	155,575	380,575	160,000	143,474	303,474	55,000	47,084	102,084	240,000	186,938	426,938	240,000	222,974	462,974
2028	235,000	148,825	383,825	165,000	137,874	302,874	60,000	45,022	105,022	250,000	178,538	428,538	250,000	215,476	465,476
2029	250,000	141,775	391,775	175,000	131,688	306,688	60,000	42,772	102,772	260,000	169,788	429,788	260,000	207,038	467,038
2030	260,000	133,963	393,963	185,000	124,688	309,688	65,000	40,372	105,372	270,000	160,688	430,688	270,000	198,588	468,588
2031	275,000	125,513	400,513	195,000	117,288	312,288	65,000	37,772	102,772	280,000	151,238	431,238	280,000	188,800	468,800
2032	285,000	116,231	401,231	200,000	109,000	309,000	70,000	35,092	105,092	295,000	141,438	436,438	295,000	178,300	473,300
2033	300,000	106,256	406,256	210,000	100,500	310,500	70,000	32,204	102,204	305,000	131,113	436,113	305,000	167,238	472,238
2034	315,000	95,756	410,756	225,000	91,574	316,574	75,000	29,316	104,316	320,000	120,438	440,438	320,000	155,800	475,800
2035	330,000	84,338	414,338	235,000	82,012	317,012	80,000	26,222	106,222	335,000	109,238	444,238	335,000	143,000	478,000
2036	350,000	72,375	422,375	245,000	72,024	317,024	80,000	22,922	102,922	345,000	97,513	442,513	350,000	129,600	479,600
2037	365,000	59,250	424,250	260,000	61,490	321,490	85,000	19,522	104,522	360,000	85,438	445,438	365,000	115,600	480,600
2038	385,000	45,563	430,563	270,000	50,310	320,310	85,000	15,910	100,910	375,000	72,838	447,838	380,000	101,000	481,000
2039	405,000	31,125	436,125	285,000	38,700	323,700	90,000	12,254	102,254	395,000	59,713	454,713	395,000	85,800	480,800
2040	425,000	15,937	440,937	300,000	26,444	326,444	95,000	8,384	103,384	410,000	45,888	455,888	410,000	70,000	480,000
2041	-	-	-	315,000	13,544	328,544	100,000	4,300	104,300	425,000	31,538	456,538	430,000	53,600	483,600
2042	-	-	-	-	-	-	-	-	-	445,000	16,131	461,131	445,000	36,400	481,400
2043	-	-	-	-	-	-	-	-	-	-	-	-	465,000	18,600	483,600
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	$ 4,620,000	$ 1,494,507	$ 6,114,507	$ 3,575,000	$ 1,449,334	$ 5,024,334	$ 1,190,000	$ 468,158	$ 1,658,158	$ 5,540,000	$ 1,953,464	$ 7,493,464	$ 6,025,000	$ 2,517,690	$ 8,542,690

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
SEPTEMBER 30, 2025

Fiscal Year Ending	Unlimited Tax Bonds Series 2019			Unlimited Tax Bonds Series 2020			Unlimited Tax Bonds Series 2021			Unlimited Tax Road Bonds Series 2021A			Unlimited Tax Road Bonds Series 2022		
	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total
2026	$ 220,000	$ 158,088	$ 378,088	$ 350,000	$ 160,938	$ 510,938	$ 225,000	$ 122,062	$ 347,062	$ 200,000	$ 125,374	$ 325,374	$ 300,000	$ 320,000	$ 620,000
2027	230,000	151,488	381,488	350,000	153,938	503,938	225,000	115,312	340,312	200,000	119,372	319,372	300,000	305,000	605,000
2028	240,000	144,588	384,588	350,000	146,937	496,937	225,000	108,562	333,562	200,000	113,374	313,374	300,000	290,000	590,000
2029	250,000	139,788	389,788	350,000	139,937	489,937	225,000	101,812	326,812	200,000	107,376	307,376	300,000	275,000	575,000
2030	260,000	134,788	394,788	350,000	132,937	482,937	225,000	95,062	320,062	200,000	101,374	301,374	300,000	260,000	560,000
2031	270,000	129,588	399,588	350,000	125,937	475,937	225,000	88,312	313,312	200,000	95,376	295,376	300,000	245,000	545,000
2032	280,000	123,850	403,850	350,000	118,938	468,938	225,000	81,562	306,562	200,000	89,374	289,374	300,000	230,000	530,000
2033	295,000	117,550	412,550	350,000	111,937	461,937	225,000	77,062	302,062	200,000	85,376	285,376	300,000	215,000	515,000
2034	305,000	110,912	415,912	350,000	104,938	454,938	225,000	72,562	297,562	200,000	81,374	281,374	300,000	202,625	502,625
2035	320,000	103,668	423,668	350,000	97,937	447,937	225,000	67,782	292,782	200,000	77,126	277,126	300,000	189,875	489,875
2036	335,000	95,668	430,668	350,000	90,937	440,937	225,000	62,718	287,718	200,000	72,624	272,624	300,000	176,750	476,750
2037	350,000	87,294	437,294	350,000	83,937	433,937	225,000	57,376	282,376	200,000	67,876	267,876	300,000	163,250	463,250
2038	365,000	78,544	443,544	350,000	76,500	426,500	225,000	51,750	276,750	200,000	63,124	263,124	300,000	149,750	449,750
2039	380,000	68,962	448,962	350,000	68,625	418,625	225,000	46,126	271,126	200,000	58,126	258,126	300,000	136,250	436,250
2040	395,000	58,988	453,988	350,000	60,750	410,750	225,000	40,500	265,500	200,000	53,124	253,124	300,000	122,375	422,375
2041	410,000	48,125	458,125	450,000	52,875	502,875	225,000	34,876	259,876	200,000	47,876	247,876	300,000	108,500	408,500
2042	430,000	36,850	466,850	450,000	42,750	492,750	225,000	29,250	254,250	300,000	42,624	342,624	300,000	94,250	394,250
2043	445,000	25,025	470,025	450,000	32,625	482,625	225,000	23,626	248,626	300,000	34,376	334,376	300,000	80,000	380,000
2044	465,000	12,788	477,788	500,000	22,500	522,500	225,000	18,000	243,000	300,000	26,124	326,124	300,000	65,000	365,000
2045	-	-	-	500,000	11,250	511,250	225,000	12,376	237,376	300,000	17,876	317,876	300,000	50,000	350,000
2046	-	-	-	-	-	-	270,000	6,750	276,750	350,000	9,624	359,624	300,000	35,000	335,000
2047	-	-	-	-	-	-	-	-	-	-	-	-	400,000	20,000	420,000
2048	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	$ 6,245,000	$ 1,826,552	$ 8,071,552	$ 7,600,000	$ 1,837,123	$ 9,437,123	$ 4,770,000	$ 1,313,438	$ 6,083,438	$ 4,750,000	$ 1,488,870	$ 6,238,870	6,700,000	3,733,625	10,433,625

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
SEPTEMBER 30, 2025

	Unlimited Park Bonds Series 2023			Unlimited Tax Road Bonds Series 2024			TOTAL		
Fiscal Year Ending	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total
2026	$ 150,000	$ 215,313	$ 365,313	$ 75,000	$ 132,750	$ 207,750	$ 2,400,000	$ 2,019,148	$ 4,419,148
2027	150,000	207,813	357,813	75,000	129,000	204,000	2,450,000	1,937,968	4,387,968
2028	150,000	200,313	350,313	80,000	125,250	205,250	2,505,000	1,854,759	4,359,759
2029	150,000	192,813	342,813	85,000	121,250	206,250	2,565,000	1,771,037	4,336,037
2030	150,000	185,313	335,313	90,000	117,000	207,000	2,625,000	1,684,773	4,309,773
2031	150,000	177,813	327,813	90,000	112,500	202,500	2,680,000	1,595,137	4,275,137
2032	150,000	170,313	320,313	95,000	108,000	203,000	2,745,000	1,502,098	4,247,098
2033	150,000	162,813	312,813	100,000	103,250	203,250	2,810,000	1,410,299	4,220,299
2034	150,000	155,313	305,313	105,000	98,250	203,250	2,890,000	1,318,858	4,208,858
2035	150,000	149,313	299,313	110,000	93,000	203,000	2,970,000	1,223,511	4,193,511
2036	150,000	143,313	293,313	115,000	88,600	203,600	3,045,000	1,125,044	4,170,044
2037	150,000	137,313	287,313	120,000	84,000	204,000	3,130,000	1,022,346	4,152,346
2038	150,000	131,313	281,313	125,000	79,200	204,200	3,210,000	915,802	4,125,802
2039	150,000	125,313	275,313	135,000	74,200	209,200	3,310,000	805,194	4,115,194
2040	150,000	119,125	269,125	140,000	68,800	208,800	3,400,000	690,315	4,090,315
2041	150,000	112,750	262,750	145,000	63,200	208,200	3,150,000	571,184	3,721,184
2042	300,000	106,375	406,375	150,000	57,400	207,400	3,045,000	462,030	3,507,030
2043	350,000	93,625	443,625	160,000	51,400	211,400	2,695,000	359,277	3,054,277
2044	350,000	78,313	428,313	165,000	45,000	210,000	2,305,000	267,725	2,572,725
2045	350,000	63,000	413,000	175,000	38,400	213,400	1,850,000	192,902	2,042,902
2046	350,000	47,250	397,250	185,000	31,400	216,400	1,455,000	130,024	1,585,024
2047	350,000	31,500	381,500	190,000	24,000	214,000	940,000	75,500	1,015,500
2048	350,000	15,750	365,750	200,000	16,400	216,400	550,000	32,150	582,150
2049	-	-	-	210,000	8,400	218,400	210,000	8,400	218,400
	4,800,000	3,022,070	7,822,070	3,120,000	1,870,650	4,990,650	$ 58,935,000	$ 22,975,481	$ 81,910,481

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-6. CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2025

	Bond Issue Series 2016	Bond Issue Series 2016A	Bond Issue Series 2016B	Bond Issue Series 2017	Bond Issue Series 2018	Bond Issue Series 2019	Bond Issue Series 2020	Bond Issue Series 2021	Bond Issue Series 2021A	Bond Issue Series 2022	Bond Issue Series 2023	Bond Issue Series 2024	Total
Interest Rate	2.50% - 3.75%	3.50% - 4.30%	3.50% - 4.30%	3.50% - 3.625%	3.00% - 4.00%	2.00% - 3.00%	2.00% - 2.25%	2.00% - 3.00%	2.00% - 3.00%	4.125% - 5.00%	4.00% - 5.00%	4.00% - 5.00%	
Dates Interest Payable	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1	
Maturity Dates	9/1/2040	9/1/2041	9/1/2041	9/1/2042	9/1/2043	9/1/2044	9/1/2045	9/1/2046	9/1/2046	9/1/2047	9/1/2048	9/1/2049	
Bonds Outstanding at Beginning of Current Fiscal Year	$ 4,825,000	$ 3,720,000	$ 1,240,000	$ 5,760,000	$ 6,245,000	$ 6,455,000	$ 7,950,000	4,995,000	4,950,000	$ 7,000,000	4,950,000	$ 3,190,000	$ 61,280,000
Bonds Sold During the Current Fiscal Year	-	-	-	-	-	-	-	-	-	-			$ -
Retirements During the Current Fiscal Year:													
Refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	(205,000)	(145,000)	(50,000)	(220,000)	(220,000)	(210,000)	(350,000)	(225,000)	(200,000)	(300,000)	(150,000)	(70,000)	(2,345,000)
Bonds Outstanding at End of Current Fiscal Year	$ 4,620,000	$ 3,575,000	$ 1,190,000	$ 5,540,000	$ 6,025,000	$ 6,245,000	$ 7,600,000	$ 4,770,000	$ 4,750,000	$ 6,700,000	$ 4,800,000	$ 3,120,000	$ 58,935,000
Interest Paid During the Current Fiscal Year	$ 167,150	$ 153,800	$ 50,760	$ 202,686	$ 236,475	$ 164,386	$ 167,938	$ 128,813	$ 131,375	$ 335,000	$ 222,814	$ 160,025	$ 2,121,222
Paying Agent's Name and Address:	Bank of Texas Austin, TX	Bank of Texas Austin, TX	Bank of Texas Austin, TX	Bank of Texas Austin, TX	UMB Bank, N.A. Austin, TX	UMB Bank, N.A. Austin, TX	UMB Bank, N.A. Austin, TX	UMB Bank, N.A. Austin, TX	UMB Bank, N.A. Austin, TX	UMB Bank, N.A. Austin, TX	UMB Bank, N.A. Austin, TX	UMB Bank, N.A. Austin, TX	

Bond Authority:	Tax Bonds*	Park and Recreation Bonds	Road Bonds
Amount Authorized by Voters	$ 95,000,000	$ 13,000,000	$ 32,000,000
Amount Issued	(45,595,000)	(5,050,000)	(17,545,000)
Remaining To Be Issued	$ 49,405,000	$ 7,950,000	$ 14,455,000

* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

Debt Service Fund Cash and Temporary Investment balances as of September 30, 2025:	$ 2,284,507
Average Annual Debt Service Payment (Principal and Interest) for the remaining term of all debt:	$ 3,412,937

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS
SEPTEMBER 30, 2025

	Amounts					Percentage of Fund Total Revenues				
	2025	2024	2023	2022	2021	**2025**	2024	2023	2022	2021
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES:										
Property taxes, including penalties	**$ 1,368,911**	$ 588,905	$ 576,008	$ 507,812	$ 540,230	**93.6%**	88.0%	91.5%	98.7%	99.9%
Interest and other	**92,913**	80,162	53,257	6,947	215	**6.4%**	12.0%	8.5%	1.3%	0.1%
TOTAL GENERAL FUND REVENUES AND OTHER FINANCING SOURCES	**1,461,824**	669,067	629,265	514,759	540,445	**100.0%**	100.0%	100.0%	100.0%	100.0%
GENERAL FUND EXPENDITURES -										
Current:										
Director fees, including payroll taxes	**11,657**	12,535	10,724	5,813	7,589	**0.8%**	1.9%	1.7%	1.1%	1.4%
Repairs and maintenance	**163,780**	245,122	142,876	46,965	51,613	**11.2%**	36.6%	22.7%	9.1%	9.6%
Utilities	**1,259**	1,169	1,087	1,760	2,400	**0.1%**	0.2%	0.2%	0.3%	0.4%
Legal fees	**155,966**	89,181	104,768	110,663	91,237	**10.7%**	13.3%	16.6%	21.5%	16.9%
Engineering fees	**28,107**	28,774	40,743	23,248	26,395	**1.9%**	4.3%	6.5%	4.5%	4.9%
Bookkeeping fees	**25,723**	25,213	22,963	17,800	17,550	**1.8%**	3.8%	3.6%	3.5%	3.2%
Audit Fees	**17,000**	16,000	15,000	14,000	13,250	**1.2%**	2.4%	2.4%	2.7%	2.5%
Insurance	**17,844**	18,383	18,232	16,282	13,806	**1.2%**	2.7%	2.9%	3.2%	2.6%
Tax appraisal/collection fees	**8,254**	3,587	3,044	2,628	2,863	**0.6%**	0.5%	0.5%	0.5%	0.5%
Financial advisor fees	**1,356**	822	658	-	986	**0.1%**	0.1%	0.1%	-	0.2%
Other consulting fees	**4,104**	4,104	3,600	5,004	4,744	**0.3%**	0.6%	0.6%	1.0%	0.9%
Public notice	**-**	-	504	-	-	**-**	-	0.1%	-	-
Other	**1,630**	1,808	1,818	2,698	2,397	**0.1%**	0.3%	0.3%	0.5%	0.4%
TOTAL GENERAL FUND EXPENDITURES	**436,680**	446,698	366,017	246,861	234,830	**30.0%**	66.6%	58.3%	47.9%	43.5%
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	**$ 1,025,144**	$ 222,369	$ 263,248	$ 267,898	$ 305,615	**70.0%**	33.4%	41.7%	52.1%	56.5%
DEBT SERVICE FUND REVENUES AND OTHER FINANCING SOURCES:										
Property taxes, including penalties	**$ 1,674,730**	$ 2,277,113	$ 2,049,705	$ 1,550,742	$ 1,102,037	**45.0%**	48.8%	48.3%	49.6%	46.8%
Property taxes from City of Leander, TX	**1,877,472**	1,806,042	1,686,170	1,265,970	1,062,886	**50.4%**	38.7%	39.8%	40.5%	45.1%
Interest	**169,561**	221,331	154,522	19,988	793	**4.6%**	4.7%	3.6%	0.6%	0.1%
Bond proceeds	**-**	363,363	350,000	290,187	188,938	**-**	7.8%	8.3%	9.3%	8.0%
TOTAL DEBT SERVICE FUND REVENUES	**3,721,763**	4,667,849	4,240,397	3,126,887	2,354,654	**100.0%**	100.0%	100.0%	100.0%	100.0%
DEBT SERVICE FUND EXPENDITURES:										
Tax appraisal/collection	**10,005**	13,868	10,844	8,030	5,846	**0.3%**	0.3%	0.3%	0.3%	0.2%
Financial advisor fees	**-**	-	2,342	-	2,014	**-**	-	-	-	0.2%
Bond principal	**2,345,000**	2,175,000	1,735,000	1,335,000	665,000	**63.0%**	46.6%	40.9%	42.7%	28.2%
Bond interest	**2,121,222**	1,967,046	1,800,026	1,470,691	1,238,647	**57.0%**	42.1%	42.4%	47.0%	52.6%
Fiscal agent fees and other	**12,244**	11,378	7,800	7,800	7,400	**0.3%**	0.2%	0.2%	0.2%	0.3%
TOTAL DEBT SERVICE FUND EXPENDITURES	**4,488,471**	4,167,292	3,556,012	2,821,521	1,918,907	**120.6%**	89.2%	83.8%	90.2%	81.5%
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	**$ (766,708)**	$ 500,557	$ 684,385	$ 305,366	$ 435,747	**-20.6%**	10.8%	16.2%	9.8%	18.5%
TOTAL ACTIVE RETAIL WATER CONNECTIONS	**(1)**	(1)	(1)	(1)	(1)					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	**(1)**	(1)	(1)	(1)	(1)					

(1) The City of Leander, Texas provides retail water and wastewater service to users within the District.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

Complete District Mailing Address:	919 Congress Avenue, Suite 1500, Austin, TX 78701
District Business Telephone Number:	(512) 518-2424
Submission Date of the most recent District Registration Form TWC Sections 36.054 and 49.054):	June 24, 2025
Limits on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution TWC Section 49.060)	$7,200

Name and Address:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid * 9/30/2025	Expense Reimbursements 9/30/2025	Title at Year End
Board Members:				
Nick Voinis	(Elected) 5/4/2024 - 5/6/2028	$ 2,431	$ 167	President
Jake Helmburg	(Appointed) 6/24/2025 - 5/2/2026	$ 1,326	$ 140	Vice-President
Judd Messer	(Appointed) 1/24/2023 - 5/2/2026	$ 2,210	$ -	Secretary
Tom Sellers	(Appointed) 5/4/2024 - 5/6/2028	$ 1,768	$ -	Assistant Vice-President/ Assistant Secretary
Vacant	05/04/24 - 05/06/28	$ -	$ -	Director
Consultants:				
Allen Boone Humphries Robinson LLP	5/21/2013	$ 152,899	$ -	Attorney
Bott & Douthitt PLLC	5/21/2013	$ 25,685	$ -	District Accountant
Jones-Heroy & Associates	1/10/2018	$ 16,488	$ -	Bond Engineer
Pape-Dawson Engineers	10/26/2016	$ 35,730	$ -	District Engineer
McCall Gibson Swedlund Barfoot Ellis PLLC	9/9/2015	$ 17,000 $ 5,500	$ - $ -	Auditor Bond Related Fees
Masterson Advisors LLC	1/28/2025	$ 4,000	$ -	Financial Advisor
Travis County Tax Collector	9/17/2013	$ 2,980	$ -	Tax Collector

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

OTHER SUPPLEMENTARY INFORMATION

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
OSI-1. PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2025

Taxpayer	Type of Property	Tax Roll Year **2025**	2024	2023
Toll Austin TX II LLC	N/A	**$ 7,214,896**	$ 6,231,642	$ 5,878,025
Homeowner	N/A	**2,604,613**	2,367,830	2,640,984
Homeowner	N/A	**2,577,655**	2,049,683	2,152,573
Homeowner	N/A	**2,421,335**	1,988,763	1,892,685
Homeowner	N/A	**2,329,229**	1,980,146	1,800,133
Homeowner	N/A	**2,254,651**	1,941,024	1,729,123
Homeowner	N/A	**2,178,161**	1,760,000	1,727,453
Homeowner	N/A	**2,088,682**	-	1,654,863
Yang Holdings Inc	N/A	**2,069,710**	-	-
Homeowner	N/A	**1,932,308**	-	-
Toll Austin TX II LLC	N/A	**-**	2,797,154	-
Travisso Ltd.	N/A	**-**	2,008,960	2,175,549
Sigma Studios LLC	N/A	**-**	2,377,532	2,191,876
Total		**$ 27,671,240**	$ 25,502,734	$ 23,843,264
Percent of Assessed Valuation		**3.2%**	3.1%	3.0%

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
OSI-2. ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2025

	Tax Roll Year					
	2025		2024		2023	
Type of Property	**Amount**	**%**	Amount	%	Amount	%
Single Family Residence	**$ 913,018,677**	**105.1%**	$ 910,662,917	110.0%	$ 986,341,461	125.0%
Vacant Lot	**12,986,886**	**1.5%**	8,791,939	1.1%	3,376,274	0.4%
Qualified Open Space	**-**	**0.0%**	173,823	0.0%	187,853	0.0%
Rural Land, Non-Qualified	**2,041,581**	**0.2%**	3,785,632	0.5%	3,727,928	0.5%
Commercial Personal Property	**352,129**	**0.0%**	474,424	0.0%	678,763	0.1%
Residential Inventory	**6,371,172**	**0.7%**	6,338,169	0.8%	13,080,918	1.7%
Totally Exempt Property	**6,019,651**	**0.7%**	4,462,387	0.5%	3,927,330	0.5%
Less: Adjustments	**(71,626,207)**	**-8.2%**	(106,845,979)	-12.9%	(222,166,624)	-28.2%
Net Taxable	**$ 869,163,889**	**100.0%**	$ 827,843,312	100.0%	$ 789,153,903	100.0%

ABHR

CENTRAL TEXAS
919 Congress Avenue, Suite 1500
Austin, TX 78701
(512) 518-2424

Luke Roswell
Legal Assistant
lroswell@abhr.com
(512) 503-0518

February 16, 2026

Via U.S. Mail and E-Mail
Mr. Dan Black
Municipal Advisory Council of Texas
600 West 8th Street
Austin, TX 78701
mac@mactexas.com

Re: Travis County Municipal Utility District No. 21

Dear Mr. Black:

Please find enclosed for your records a copy of the reference District's annual audit for the fiscal year end September 30, 2025.

Please let me know if you have any questions or need any additional information.

Sincerely,

Luke Roswell

Luke Roswell
Legal Assistant

Enclosure

Cc: w/enclosure

Ms. Katrina Thornhill
McDonald & Wessendorf Insurance
katrina.thornhill@mcwess-insurance.com

Standard & Poor's
pubfin_statelocalgovt@spglobal.com

Build America Mutual Assurance Company
notices@buildamerica.com

Bloomberg Financial
munifilings@bloomberg.net

Moody's Investors Service, Inc.
moodyspfgaudits@moodys.com

Mr. Todd Parton
City Manager
City of Leander
P.O. Box 319
Leander, TX 78646

Mr. Tim Miller
Allen Boone Humphries Robinson, LLP
tmiller@abhr.com

APPENDIX B

Specimen Municipal Bond Insurance Policy

ASSURED GUARANTY®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

SPECIMEN