

OFFICIAL STATEMENT DATED MAY 3, 2021

NEW ISSUE-BOOK-ENTRY-ONLY

**RATINGS: Insured AGM S&P “AA” (Stable Outlook); Underlying Moody’s “A1”
See “MUNICIPAL BOND RATINGS” and “BOND INSURANCE.”**

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Master District, interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions existing on the date thereof of such opinion, subject to the matters described under "TAX MATTERS."

THE MASTER DISTRICT HAS DESIGNATED THE BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS. See "TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions" herein.

\$8,505,000

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4
(A Political Subdivision of the State of Texas Located in Travis County, Texas)

Unlimited Contract Tax Refunding Bonds, Series 2021

Dated: Date of Delivery

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

The bonds described above (the "Bonds") and the Outstanding Contract Bonds (as herein defined) are limited obligations of Travis County Municipal Utility District No. 4 (the "Master District") payable solely from and to the extent of payments required to be made to the Trustee (as herein defined) by all participating entities, currently Travis County Municipal Utility Districts No. 3, 4 (in its role as a participating district), 5, 6, 7, 8 and 9 (collectively, the "Participants" and individually, a "Participant") within the Service Area (as herein defined) from proceeds of an unlimited annual ad valorem contract tax levied by each Participant for debt service as set forth in the Master District Contract (as herein defined) (the "Pledged Contract Payments") pursuant to the terms of a separate "Contract for Financing and Operations of Regional Waste Collection, Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities, and Regional Drainage Including Water Quality Facilities" executed between the Master District and each Participant with substantially identical terms (collectively, the "Master District Contract") as described more fully herein under "SUMMARY OF CERTAIN DOCUMENTS – Master District Contract." The Bonds and Outstanding Contract Bonds are limited obligations of the Master District, payable solely from the Pledged Contract Payments and certain funds on deposit with UMB Bank, N.A., as successor to BOKF, NA (the "Trustee") pursuant to the Trust Indenture (as herein defined), and are not obligations of the State of Texas; the City of Austin, Texas; Travis County, Texas; or any entity other than the Master District.

Interest on the Bonds will accrue from the Date of Delivery, defined herein, is payable September 1, 2021 and each March 1 and September 1 thereafter until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent/registrars for the Bonds is UMB Bank, NA, (the "Paying Agent" or the "Paying Agent/Registrar").

Proceeds from the sale of the Bonds will be used to (i) establish an escrow fund to currently refund a portion of the Master District's Unlimited Contract Tax Refunding Bonds, Series 2015 and Unlimited Contract Tax Bonds, Series 2015A (collectively, the "Refunded Bonds"), to achieve debt service savings, and (ii) pay the costs of issuing the Bonds. See "PLAN OF FINANCING."

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 MUNICIPAL CORP.** See "BOND INSURANCE."



**MATURITY SCHEDULE, INTEREST RATES, INITIAL YIELDS,
REDEMPTION PROVISIONS AND CUSIP NUMBERS**
(see inside cover page)

Huntington Capital Markets

THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. See “INVESTMENT CONSIDERATIONS” herein.

The Bonds are offered for delivery when, as and if issued by the Master District and received by the initial purchaser (the “Underwriter”), subject to the approval of the Attorney General of the State of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas. The Bonds in definitive form are expected to be available for delivery through DTC on June 3, 2021 (the “Date of Delivery”).

**MATURITY SCHEDULE
(Due September 1)**

CUSIP Prefix: 894389

Due	Principal Amount	Interest Rate	Initial Reoffering Yield ^(b)	CUSIP Suffix ^(c)	Due	Principal Amount	Interest Rate	Initial Reoffering Yield ^(b)	CUSIP Suffix ^(c)
2021	\$ 50,000	4.000%	0.290%	ZU2	2027	\$ 85,000	4.000%	0.990%	A21
2022	40,000	4.000%	0.310%	ZV0	2028	825,000	4.000%	1.140%	A39
2023	40,000	4.000%	0.380%	ZW8	2029 ^(a)	865,000	4.000%	1.260%	A47
2024	65,000	4.000%	0.530%	ZX6	2030 ^(a)	950,000	4.000%	1.350%	A54
2025	70,000	4.000%	0.680%	ZY4	***	***	***	***	***
2026	70,000	4.000%	0.820%	ZZ1	2039 ^(a)	2,405,000	2.000%	2.170%	A96
<p>\$195,000 2.000% Term Bond Due September 1, 2033 ^(a) Yield 1.920% ^(b) CUSIP Suffix A62 ^(c)</p> <p>\$220,000 2.000% Term Bond Due September 1, 2035 ^(a) Yield 1.960% ^(b) CUSIP Suffix A70 ^(c)</p> <p>\$2,625,000 2.000% Term Bond Due September 1, 2038 ^(a) Yield 2.130% ^(b) CUSIP Suffix A88 ^(c)</p>									

- (a) Redemption Provisions: The Master District reserves the right to redeem, prior to maturity, in integral multiples of \$5,000, those Bonds maturing on and after September 1, 2029, in whole or from time to time in part, on September 1, 2028, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. In addition, the Bonds maturing September 1, 2033, September 1, 2035, and September 1, 2038 (collectively, the “Term Bonds”) are also subject to mandatory sinking fund redemption. See “THE BONDS - Redemption.”
- (b) The initial reoffering yields indicated represent the lower of the yields resulting when priced to maturity or the first call date. The initial yields at which the Bonds will be priced will be established by and will be the sole responsibility of the Underwriter. The yields may be changed at any time at the discretion of the Underwriter.
- (c) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services provided by CUSIP Global Services. None of the Underwriter, the Master District, or Public Finance Group LLC, the Master District’s financial advisor (the “Financial Advisor”), is responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading “BOND INSURANCE” and “APPENDIX D - Specimen Municipal Bond Insurance Policy”.

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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 representations must not be relied upon as having been authorized by the Master District.

This Official Statement does not alone constitute, and is not authorized by the Master District for use in connection with, an offer to sell or the solicitation of any 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.

The information set forth herein has been obtained from the Master District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of facts, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

Any reference to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the readers' convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

All of the summaries of the statutes, orders, contracts, records, and engineering and other related reports set forth in the 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 the Master District's General Counsel, for further information.

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 Master District or the other matters described herein since the date hereof. However, the Master District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the Master District, and to the extent that information actually comes to its attention, other matters described in the Official Statement until delivery of the Bonds to the Underwriter and thereafter only as specified in "CONTINUING DISCLOSURE OF INFORMATION."

NONE OF THE MASTER DISTRICT, THE FINANCIAL ADVISOR, OR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM.

THE CONTENTS OF THIS OFFICIAL STATEMENT ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS, OR TAX ADVICE, AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN ATTORNEYS AND BUSINESS AND TAX ADVISORS.

SALE AND DISTRIBUTION OF THE BONDS

Underwriting

The Underwriter listed on the cover page of this Official Statement, Huntington Securities, Inc. dba Huntington Capital Markets, has agreed, pursuant to a bond purchase agreement with the Master District, to purchase the Bonds from the Master District for \$8,884,077.98 (an amount equal to the principal amount of the Bonds, plus a net premium of \$440,856.85, less an Underwriter's discount of \$61,778.87).

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to 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 WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Master 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 municipal 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.

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market in the Bonds. There is presently no secondary market for the Bonds and no assurance that a secondary market for the Bonds will develop or, if developed, will not be disrupted by events including, but not limited to, the current COVID-19 pandemic. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak (COVID-19)." Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes. See "INVESTMENT CONSIDERATIONS – No Certainty of a Secondary Market."

Securities Laws

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE BONDS OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No registration statement relating to the offer and sale of the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The Master District assumes no responsibility for registration 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.

The statements contained in this Official Statement and in other information provided by the Master District that are not purely historical are forward-looking statements, including regarding the Master District's expectations, hopes, intentions, or strategies regarding the future. All forward-looking statements included in this Official Statement are based on information available to the Master District on the date hereof, and the Master District assumes no obligation to update any such forward-looking statements. See "INVESTMENT CONSIDERATIONS - Forward-Looking Statements."

MUNICIPAL BOND RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned a rating of "AA" (stable outlook) to the Bonds, as a result of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. ("AGM" or the "Insurer") at the time of delivery of the Bonds. Additionally, Moody's Investor Service, Inc. ("Moody's") has assigned an underlying rating of "A1" to the Bonds.

An explanation of the significance of a rating may be obtained from the company furnishing the rating. The rating reflects only the respective view of such company, and the Master District makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if, in the judgement of such company, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). 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 an appendix to this Official Statement.

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

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), 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 operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM'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 "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM 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 AGM in its sole discretion. In addition, the rating agencies may at any time change AGM'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 AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM 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 October 29, 2020, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 16, 2020, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM'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, 2020.

Capitalization of AGM

At March 31, 2021:

- The policyholders' surplus of AGM was approximately \$2,805 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$959 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,121 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC 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.

Merger of MAC into AGM

On April 1, 2021, MAC was merged into AGM, with AGM as the surviving company. Prior to that merger transaction, MAC was an indirect subsidiary of AGM (which indirectly owned 60.7% of MAC) and AGM's affiliate, Assured Guaranty Corp., a Maryland-domiciled insurance company ("AGC") (which indirectly owned 39.3% of MAC). In connection with the merger transaction, AGM and AGC each reassumed the remaining outstanding par they ceded to MAC in 2013, and AGC sold its indirect share of MAC to AGM. All of MAC's direct insured par exposures have become insured obligations of AGM.

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 AGM 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, 2020 (filed by AGL with the SEC on February 26, 2021); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (filed by AGL with the SEC on May 7, 2021).

All information relating to AGM 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 Municipal Corp.: 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 AGM included herein under the caption “BOND INSURANCE – Assured Guaranty Municipal Corp.” or included in a document incorporated by reference herein (collectively, the “AGM Information”) shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading “BOND INSURANCE”.

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OFFICIAL STATEMENT SUMMARY

The following material is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE MASTER DISTRICT

The Issuer Travis County Municipal Utility District No. 4 (the "Master District") is a political subdivision of the State of Texas, created, along with six other conservation and reclamation districts, by an act of the 74th Regular Session of the Texas Legislature on June 16, 1995 (the "Act"), and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The Master District, as a Participant (as herein defined), was created to provide water, wastewater, and storm drainage, including water quality facilities, to the approximately 492 acres within its boundaries, all of which lie within Travis County, Texas. The Master District also serves as the regional provider of water, wastewater and storm drainage services, including water quality facilities to participating entities within the Service Area (as herein defined) currently Travis County Municipal Utility Districts No. 3, 4 (in its role as a participant district), 5, 6, 7, 8 and 9 (collectively, the "Participants" and individually a "Participant") located within the Barton Creek Development (as herein defined) which consists of a service area of approximately 3,520 acres (the "Service Area"). See "THE MASTER DISTRICT," "SUMMARY OF CERTAIN DOCUMENTS – Master District Contract," and "PARTICIPANTS IN CURRENT SERVICE AREA."

Location..... The Service Area lies approximately 8 miles south - southwest of Austin's central business district and is situated approximately two miles southwest of the intersection of RM 2244 and Capital of Texas Highway. The Service Area is located entirely within the extraterritorial jurisdiction of the City of Austin. See "THE MASTER DISTRICT."

The Developer The developer currently active within the Service Area is Stratus Properties Operating Co., L.P. ("Stratus Properties"), a Delaware limited partnership comprised of Stratus Investments L.L.C., a Delaware limited liability company, as its 99% limited partner and STRS L.L.C., a Delaware limited liability company, as its 1% general partner. See "THE DEVELOPER - Description of Developer" and "PARTICIPANTS IN CURRENT SERVICE AREA - Status of Development."

The Participants The Participants comprise approximately 3,520 acres of a master planned community designed to ultimately contain single family, multi-family, senior living center, commercial, retail and office development as well as recreational amenities. Of the 3,520 acres within the Participants, approximately 3,282 acres are developable. See "INVESTMENT CONSIDERATIONS– Certain Development Regulations." All of the Participants have designated the Master District to serve as the master district and regional provider of water, wastewater, and storm drainage, including water quality facilities to serve the approximately 3,282 developable acres within the Participants. The Master District also provides certain retail services to the Participants including retail billing and collecting services for each of the Participants. Each Participant was created to construct or acquire internal underground utilities to serve the developable acres within each Participant's boundaries. See "THE MASTER DISTRICT" and "INVESTMENT CONSIDERATIONS."

As of March 1, 2021, approximately 2,463 acres within the Participants have been or are currently being provided water, wastewater and storm drainage, including water quality services, which include: approximately 826 acres in Travis County Municipal Utility District No. 3, approximately 492 acres in Travis County Municipal Utility District No. 4, approximately 660 acres in Travis County Municipal Utility District No. 5, 264 acres in Travis County Municipal Utility District No. 6, and approximately 221 acres in Travis County Municipal Utility District No. 8. As of March 1, 2021 residential development within the Participants included 552 completed single family homes, 40 single family homes under construction, 25 single family lots that are vacant, 208 completed detached condominium patio homes, 2 detached condominium patio home under construction, 22 detached condominium patio home lots that are vacant, one 216 unit apartment complex (called the Barton Creek Villas) including a clubhouse, fitness center and pool area; one 448 unit apartment complex (called the Santal Apartments) including a clubhouse, fitness center and pool area; additional development includes a senior living center, and commercial, retail and office development. Recreational amenities include the Barton Creek Resort and Spa located in Travis County Municipal Utility District No. 4, which underwent an approximately \$150 million renovation that was completed in May 2019. The Resort consists of a

51,000 square foot renovated clubhouse, several restaurants, a conference center that includes 53 meeting rooms, a grand ballroom and event pavilion, a 493 room hotel, the Fazio Foothills 18-hole golf course, the Crenshaw 18-hole golf course, sports and tennis shops, a championship caliber tennis center that includes 10 lighted tennis courts, three swimming pools, a fitness center and spa, jogging trails, and a three-level parking garage. Additionally, a third 18-hole golf course and clubhouse is located within the boundaries of Travis County Municipal Utility District No. 5. Within the Participants there are several tracts at various stages of development and approximately 819 undeveloped but developable acres remaining. See "INVESTMENT CONSIDERATIONS – Certain Development Regulations." See also "THE BARTON CREEK DEVELOPMENT."

Homebuilders Homebuilders in the Service Area include various custom homebuilders who are building homes ranging in price from \$600,000 to over \$14,000,000. See "THE DEVELOPER."

Master District Facilities The Master District, in its capacity as a regional provider of the water, wastewater and storm drainage services, including water quality facilities, has contracted with each of the Participants to construct and provide such services from the Master District Facilities as necessary to serve the Service Area (all hereinafter collectively referred to as the "Master District Facilities"). See "INVESTMENT CONSIDERATIONS - Overlapping and Combined Tax Rates," "MASTER DISTRICT FACILITIES" and "SUMMARY OF CERTAIN DOCUMENTS – Master District Contract."

The Master District Facilities have been constructed with funds provided by Stratus Properties, and such funds have been reimbursed to Stratus Properties with proceeds from the Outstanding Contract Bonds and will be further reimbursed with proceeds from future unlimited contract tax bonds sold by the Master District. The Master District will own and operate the Master District Facilities. Each Participant will own the internal utilities within its boundaries. However, each Participant has contracted with the Master District for the Master District to operate each Participant's internal utilities and provide retail billing and collecting. See "SUMMARY OF CERTAIN DOCUMENTS – Master District Contract."

COVID-19 Pandemic..... The potential impact of the COVID-19 pandemic on the Master District cannot be quantified at this time but the continued outbreak of COVID-19 could have an adverse effect on the Master District's operations and financial condition. The financial and operating data contained herein is the latest available but is largely as of the dates and for the periods prior to the economic impact of the pandemic and measures instituted to control the pandemic. Accordingly, the data is not indicative of the economic impact of the pandemic on the Master District's financial condition. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak (COVID-19)."

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THE BONDS

Description	<p>The Bonds in the aggregate principal amount of \$8,505,000 mature serially in varying amounts on September 1 of each of the years 2021 through 2030, inclusive, and 2039, and as term Bonds which mature on September 1, 2033, September 1, 2035, and September 1, 2038 (collectively, the "Term Bonds"), as set forth on the inside cover page hereof. Interest accrues from the Date of Delivery at the rates per annum set forth on the inside cover page hereof and is payable September 1, 2021 and each March 1 and September 1 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of \$5,000 for any one maturity. See "THE BONDS - General Description."</p>
Redemption	<p>Bonds maturing on and after September 1, 2029 are subject to redemption in whole or from time to time in part at the option of the Master District on September 1, 2028, or any date thereafter, in integral multiples of \$5,000 at par plus accrued interest from the most recent interest payment date to the date of redemption. The Term Bonds are also subject to mandatory sinking fund redemption. See "THE BONDS - Redemption."</p>
Source of Payment	<p>Principal and interest on the Bonds are payable from and secured by unconditional obligations to make certain debt service requirement payments that are to be made severally by the Participants pursuant to a Master District Contract executed between the Master District and each Participant (collectively the "Pledged Contract Payments"). By execution of the Master District Contract, each Participant has agreed to pay a pro rata share of debt service on the Bonds and Outstanding Contract Bonds as herein defined, based upon the certified assessed valuation of such Participant as a percentage of the total assessed valuation within the Service Area. Participants are obligated to make such Pledged Contract Payments from the proceeds of an annual unlimited ad valorem contract tax levied by such Participant on land within its boundaries for debt service requirements (the "Contract Tax"). No Participant is liable for the payments due by any other Participant. The Bonds are also secured by a Debt Service Fund and a Reserve Fund held by the Trustee pursuant to the terms of the Trust Indenture, as described below. The Bonds are limited obligations of the Master District, payable solely from certain Pledged Contract Payments by each Participant and certain funds held by the Trustee under the Trust Indenture, and are not obligations of the City of Austin, Texas; the State of Texas; Travis County, Texas; or any other political subdivision or agency. See "THE BONDS - Source of and Security for Payment" and "SUMMARY OF CERTAIN DOCUMENTS – The Master District Contract."</p> <p>The Bonds are further secured by a Trust Indenture (the "Trust Indenture") from the Master District to UMB Bank, NA, as successor to BOKF, NA (as "Trustee"). Pursuant to the Trust Indenture, the Master District has assigned to the Trustee all of the Master District's right, title, and interest in and to the Pledged Contract Payments. The Trustee shall establish, as described in the Bond Resolution, a debt service fund to collect and deposit the Contract Payments in sufficient amounts for payment of the principal of and interest on the Bonds and Outstanding Contract Bonds (as defined below) as such become due (the "Debt Service Fund"), and a reserve fund, which was initially funded from proceeds of the Master District's first bond issue, to be used to pay principal of and interest on the Bonds and Outstanding Contract Bonds if sufficient funds are not available for such purpose in the Debt Service Fund, or to pay the principal of and interest on the Bonds and Outstanding Contract Bonds in connection with the refunding, redemption or final payment of the Bonds and any additional bonds issued in the future (the "Reserve Fund"). See "SUMMARY OF CERTAIN DOCUMENTS - The Trust Indenture."</p>
Payment Record	<p>The Bonds are the twenty-eighth series of unlimited contract tax bonds issued overall by the Master District. The Master District has not defaulted on debt service payments on the Outstanding Contract Bonds. Up to two years of capitalized interest was included in each series of the unlimited contract tax bonds, except the refunding bonds. See "APPENDIX A - Certain Financial Information Regarding the Participants."</p>
Authority for Issuance	<p>The Master District has previously issued sixteen series of new money unlimited contract tax bonds pursuant to the Master District Contract (as hereinafter defined) for the purpose of constructing the Master District Facilities necessary to provide regional water, wastewater, and storm drainage services, including water quality, to the entire Service Area. After the issuance of the Bonds, the Master District will have issued twelve series of unlimited contract tax refunding bonds. The Bonds are issued pursuant to the Master District Contract, an election held on November 7, 1995 within each of the Participants approving</p>

the Master District Contract and the levy of taxes in support thereof, a resolution authorizing the issuance of the Bonds, adopted by the Board of Directors of the Master District, and a pricing certificate authorized by the Master District's designated pricing officer on the date of the sale of the Bonds, as provided in the resolution (the resolution and pricing certificate are collectively referred to herein as the "Bond Resolution"), the Trust Indenture, Article XVI, Section 59 of the Texas Constitution, Chapter 1207, Texas Government Code, as amended, and Chapters 49 and 54 of the Texas Water Code, as amended. See "INVESTMENT CONSIDERATIONS - Future Debt" and "THE BONDS - Authority for Issuance" and "- Issuance of Additional Bonds."

Use of Proceeds..... Proceeds from the sale of the Bonds will be used to (i) establish an escrow fund to currently refund a portion of the Master District's Unlimited Contract Tax Refunding Bonds, Series 2015 (the "Series 2015 Bonds") and Unlimited Contract Tax Bonds, Series 2015A (the "Series 2015A Bonds") to achieve a debt service savings, and (ii) pay the costs of issuing the Bonds. See "PLAN OF FINANCING."

Issuance of Additional Debt..... Pursuant to the Master District Contract, the Master District is authorized, with the consent of the Texas Commission on Environmental Quality (the "TCEQ" or "Commission"), to issue additional unlimited contract tax bonds to acquire, construct, improve or expand Master District Facilities necessary to serve the Service Area.

Any additional unlimited contract tax bonds would be on parity with the Bonds and Outstanding Contract Bonds. The Master District Contract and the Bond Resolution impose no limitation on the amount of additional parity bonds which may be issued by the Master District. See "THE BONDS – Issuance of Additional Bonds" and "INVESTMENT CONSIDERATIONS - Future Debt."

Municipal Bond Ratings and Insurance..... S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned a rating of "AA" (stable outlook) to the Bonds, as a result of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. ("AGM" or the "Insurer") at the time of delivery of the Bonds. Additionally, Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "A1" to the Bonds. See "MUNICIPAL BOND RATINGS."

Qualified Tax-Exempt Obligations The Master District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended, and has represented that the total amount of tax-exempt obligations (including the Bonds) issued by it during calendar year 2021 is not reasonably expected to exceed \$10,000,000. See "TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions."

Bond Counsel McCall, Parkhurst & Horton L.L.P., Austin, Texas.

General Counsel Armbrust & Brown, PLLC, Austin, Texas.

Financial Advisor Public Finance Group LLC, Austin, Texas.

Trustee UMB Bank, NA, Austin, Texas.

Paying Agent/Registrar UMB Bank, NA, Austin, Texas.

Engineer..... Murfee Engineering Co., Austin, Texas.

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Bonds involve certain investment considerations and all prospective purchasers are urged to carefully examine the Official Statement, including particularly the section captioned "INVESTMENT CONSIDERATIONS," with respect to the investment security of the Bonds.

THE MASTER DISTRICT CONTRACT

Participants..... The Master District has entered into a separate contract with each of the Participants, which currently consist of seven municipal utility districts each organized and operating pursuant to Article 16, Section 59 of the Constitution of Texas and Chapters 49 and 54, Texas Water Code, which contract authorizes the Master District to issue contract tax bonds sufficient to complete acquisition and construction of Master District Facilities as needed to serve all Participants in the Service Area (collectively, the "Master District Contract").

Debt Service Payments..... The Master District, in its capacity as a regional provider of the water, wastewater and storm drainage services, including water quality facilities, has contracted with each of the Participants to construct and provide such services from the Master District Facilities as necessary to serve the Service Area (all hereinafter collectively referred to as the "Master District Facilities"). The Master District Facilities have been constructed with funds provided by Stratus Properties, and such funds have been reimbursed to Stratus Properties with proceeds from the Outstanding Master District bonds and will be further reimbursed with proceeds from future unlimited contract tax bonds sold by the Master District. The Master District will own and operate the Master District Facilities. Each Participant will own the internal utilities within its boundaries. However, each Participant has contracted with the Master District for the Master District to operate each Participant's internal utilities and provide retail billing and collecting. By execution of the Master District Contract, the Participants have agreed to levy, assess, and collect an ad valorem Contract Tax on taxable property within the boundaries of each respective Participant, without limit as to rate or amount sufficient to make timely payments of all charges including debt service on Master District bonds. The Participants agree to pay their pro rata share of debt service requirements to the Master District, which has directly assigned such portion of the Pledged Contract Payments to the Trustee under the Trust Indenture. The pro rata share of each Participant will be determined by the ratio of the total certified assessed value within a Participant, divided by the cumulative total of the certified assessed value of all the Participants. The pro rata share of debt service is calculated on certified assessed value only, and the pro rata share is not to be calculated on a basis of water demand/equivalent connections. The Pledged Contract Payment assigned to the Trustee shall include principal and interest on the Bonds and Outstanding Contract Bonds, all charges, and expenses of paying agents, registrars and trustees, and all amounts required to establish and maintain funds established under the Bond Resolution or Trust Indenture.

The Participants are obligated severally, but not jointly, to make Pledged Contract Payments to the Master District in an amount sufficient to pay their pro rata share of debt service requirements on the Bonds and Outstanding Contract Bonds. No Participant is obligated, contingently or otherwise, to make any Pledged Contract Payments owed by any other Participant.

Water, Wastewater and
Drainage Revenue Each Participant is obligated to pay monthly charges to the Master District for water, wastewater, and storm drainage, including water quality, services rendered to such Participant pursuant to the Master District Contract ("Monthly Charges"). The Monthly Charges paid by each Participant to the Master District will be used to pay each Participant's share of the operations and maintenance expenses of the Master District Facilities and to provide or replenish an operation and maintenance reserve equivalent to three months of operations and maintenance expenses. The Master District Contract obligates the Master District to establish, maintain and from time to time adjust the rates, fees and charges for each Participant's wastewater collection system, water distribution system and drainage system, or the availability of such services, to the end that the gross revenues therefrom together with any taxes levied in support thereof and funds received from any other lawful source would be sufficient at all times to pay all of each Participant's obligations to the Master District under the Master District Contract, including each Participant's obligation to pay its pro rata share of the debt service requirements on the Bonds and Outstanding Contract Bonds. See "INVESTMENT CONSIDERATIONS - Water, Wastewater and Water Quality."

SELECTED FINANCIAL INFORMATION
(Unaudited)

Assessed Valuations of the Participants ^(a):

Participants Travis County MUD No.	2021 Preliminary Assessed Valuation	% of Total	2020 Certified Assessed Valuation	% of Total	2019 Certified Assessed Valuation	% of Total
3	\$ 778,619,550	46.15%	\$ 720,774,910	47.93%	\$ 723,191,014	49.66%
4	201,251,345 ^(b)	11.93%	151,484,236 ^(b)	10.07%	122,724,876	8.43%
5	400,089,852	23.71%	333,745,779	22.19%	303,921,774	20.87%
6	140,506,508	8.33%	142,913,286	9.50%	149,696,983	10.28%
7	1,643,943	0.10%	1,644,765	0.11%	1,647,230	0.11%
8	161,119,883	9.55%	149,469,471	9.94%	151,266,040	10.39%
9	3,873,189	0.23%	3,839,281	0.26%	3,892,105	0.27%
	<u>\$ 1,687,104,270</u>	<u>100.00%</u>	<u>\$ 1,503,871,728</u>	<u>100.00%</u>	<u>\$ 1,456,340,022</u>	<u>100.00%</u>

(a) As provided by Travis Central Appraisal District ("TCAD").

(b) Located in Travis Co. MUD No. 4, the Service Area's largest taxpayer is Barton Creek Resort & Clubs, Inc., an entity concentrated in the hospitality industry and a subsidiary of Omni Hotels Corp. The hospitality industry has been particularly susceptible to market downturns related to the COVID-19 Pandemic. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak (COVID-19)," "–Dependence on Principle Taxpayers," "BARTON CREEK RESORT, LLC" and "TAX DATA – Principal Taxpayers – Table 7."

Status of Development as of March 1, 2021

Participants Travis County MUD No.	Acreage	Total Developed Lots		Completed Units		Units Under Construction		Vacant Lots/Units	
		Single Family	Condo/ Multi- Family	Single Family	Condo/ Multi- Family	Single Family	Condo/ Multi- Family	Single Family	Condo/ Multi- Family
3	854.02	362	374 ^(a)	343 ^(b)	374 ^(c)	3	-	8	-
4	491.54	- ^(d)	36	-	28	-	-	-	8
5	686.80	178	38	132 ^(e)	22	34	2	11	14
6	271.63	65	-	53 ^(f)	-	1	-	2	-
7	217.34	-	-	-	-	-	-	-	-
8	708.30	34	448	24 ^(g)	448	2	-	4	-
9	290.75	-	-	-	-	-	-	-	-
	<u>3,520.38</u>	<u>639</u>	<u>896</u>	<u>552</u>	<u>872</u>	<u>40</u>	<u>2</u>	<u>25</u>	<u>22</u>

(a) Includes 158 single-family detached condominium lots and 216 apartment units. In addition, the Querencia senior living facility is located within Travis County Municipal Utility District No. 3. See footnote (a) on page A-4 of Appendix A.

(b) Includes one home built on three lots and seven homes built on two lots each.

(c) Includes 158 single-family detached condominium units and 216 apartment units.

(d) Development within Travis County Municipal Utility District No. 4 includes the Barton Creek Resort and Spa and Owners Club.

(e) Includes one house on two lots.

(f) Includes four homes built on two lots each, one home built on three lots and one house built on four lots.

(g) Includes two homes built on three lots each.

Gross Contract Debt Outstanding (after issuance of the Bonds)	\$81,665,000 ^(a)
Ratio of Gross Contract Debt to 2020 Certified Assessed Valuation	5.43%
Ratio of Gross Contract Debt to 2021 Preliminary Assessed Valuation.....	4.84%

Master District Funds Available as of May 3, 2021^(b):

Debt Service Fund.....	\$ 4,193,868 ^(c)
Debt Service Reserve Fund	2,542,917 ^(d)
Special Revenue Fund.....	2,781,014
Capital Projects Fund	3,961,510
Percentage of current tax collections – Tax year 2020.....	97.43%
Average percentage of total tax collections - Tax years 1996 through 2020.....	99.11%
Average Annual Debt Service Requirement on the Remaining Outstanding Contract Bonds (2021 through 2043) ("Average Requirement")	\$4,982,121
Tax rate required to pay Average Requirement based upon the aggregate 2020 Certified Assessed Valuation at 95% collections.....	\$0.35/\$100 A.V.
Tax rate required to pay Average Requirement based upon the aggregate 2021 Preliminary Assessed Valuation at 95% collections	\$0.32/\$100 A.V.
Maximum Annual Debt Service Requirement on the Remaining Outstanding Contract Bonds (2035) ("Maximum Requirement").....	\$5,711,896
Tax rate required to pay Maximum Requirement based upon the aggregate 2020 Certified Assessed Valuation at 95% collections	\$0.40/\$100 A.V.
Tax rate required to pay Maximum Requirement based upon the aggregate 2021 Preliminary Assessed Valuation at 95% collections	\$0.36/\$100 A.V.
Number of connections as of March 1, 2021:	
Single Family and Detached Condos:	
Occupied	762
Unoccupied	20
Residential Builders	36
Apartments (664 Total Units/640 occupied)	6
Commercial	28
Schools	3
Irrigation	75
Other	<u>21</u>
Total.....	951
Estimated Population as of March 1, 2021	3,886 ^(e)

- (a) Includes the Bonds, excludes the Refunded Bonds. See "Appendix A – Certain Financial Information Regarding the Participants" for other outstanding debt of the Participants.
- (b) Unaudited.
- (c) Neither the Bond Resolution nor Texas law requires that the Master District maintain any particular sum in the Debt Service Fund; however, pursuant to the Bond Resolution and the Trust Indenture, a Reserve Fund equivalent to six months' debt service requirement on the Bonds and Outstanding Contract Bonds has been established as security for the Bonds and Outstanding Contract Bonds. Pursuant to the Bond Resolution and the Trust Indenture, a determination is made with respect to amount, if any, of additional deposits to the Reserve Fund upon the issuance of additional contract tax bonds. No assurances can be made that additional monies will be deposited upon the issuance of additional contract tax bonds.
- (d) A Reserve Fund currently established in a fixed amount generally equivalent to six months debt service requirements on the Bonds and Outstanding Contract Bonds has been established as security for the owners of such bonds. Pursuant to the Trust Indenture, the Master District may adjust the amount required to be on deposit in the Reserve Fund each time it issues additional contract bonds. At the discretion of the Master District, the issuance of such additional contract bonds may result in the amount required to be on deposit in the Reserve Fund being less than six months debt service requirements on the Outstanding Contract Bonds. No assurance can be made that additional monies will be deposited to the Reserve Fund or that the amount required to be on deposit in the Reserve Fund will be maintained at any particular amount upon the issuance of additional contract bonds.
- (e) Based upon 3.0 residents per completed single family home and detached condo and 2.5 residents per occupied apartment unit. As of March 1, 2021 the Barton Creek Villas Apartments were 97% occupied (209 units) and the Santal Apartments were 96%% occupied (431 units).

OFFICIAL STATEMENT

relating to

\$8,505,000

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4
(A Political Subdivision of the State of Texas Located in Travis County, Texas)**

Unlimited Contract Tax Refunding Bonds, Series 2021

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Travis County Municipal Utility District No. 4 (the “Master District”) of its \$8,505,000 Unlimited Contract Tax Refunding Bonds, Series 2021 (the “Bonds”).

The Bonds are issued pursuant to the authority of seven separate contracts entitled “Contract for Financing and Operations of Regional Waste Collection, Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage Including Water Quality Facilities” executed between the Master District and each Participant (as defined below) as approved by elections held within each Participant on November 7, 1995 (collectively, the “Master District Contract”), the Texas Constitution, Chapter 1207, Texas Government Code, as amended, Chapters 49 and 54 of the Texas Water Code, as amended, a resolution authorizing the issuance of the Bonds adopted by the Board of Directors of the Master District (the “Board”), and a pricing certificate issued by the Master District’s designated pricing officer on the date of the sale of the Bonds, as provided in the resolution adopted by the Board of Directors of the Master District authorizing the issuance of the Bonds (the resolution and pricing certificate are collectively referred to herein as the “Bond Resolution”) and a trust indenture (the “Trust Indenture”).

This Official Statement includes descriptions, among others, of the Bonds, the Bond Resolution, the Trust Indenture, the Master District Contract, and certain other information about the Master District and Travis County Municipal Utility Districts No. 3, 4 (in its role as a participating district), 5, 6, 7, 8, and 9 (collectively, the “Participants” and individually a “Participant”). All descriptions of documents contained herein are summaries and are qualified in their entirety by reference to each document. Copies of documents referenced herein may be obtained from the Master District, c/o Armbrust & Brown PLLC, 100 Congress, Suite 1300, Austin, Texas 78701.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. Copies of the Final Official Statement and the Escrow Agreement pertaining to the Bonds will be submitted to the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (“EMMA”) system. See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the Master District’s undertaking to provide certain information on a continuing basis.

PLAN OF FINANCING

Purpose

Proceeds from the sale of the Bonds will be used to (i) establish an escrow fund to currently refund a portion of the Series 2015 Bonds and the Series 2015A Bonds (collectively, the “Refunded Bonds”) to achieve debt service savings, and (ii) pay the costs of issuing the Bonds. See “DEBT SERVICE REQUIREMENTS – TABLE 3.”

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The Refunded Bonds

The principal amounts and maturity dates of the Refunded Bonds are set forth below.

Year	Series 2015	Series 2015A	Total
2022	\$ 25,000	\$ 25,000	\$ 50,000
2023	25,000	25,000	50,000
2024	25,000	50,000	75,000
2025	30,000	50,000	80,000
2026	30,000	50,000	80,000
2027	40,000	50,000	90,000
2028	825,000	5,000	830,000
2029	860,000	5,000	865,000
2030	895,000	50,000	945,000
2031	-	50,000	50,000
2032	-	50,000	50,000
2033	-	50,000	50,000
2034	-	100,000	100,000
2035	-	100,000	100,000
2036	-	100,000	100,000
2037	-	100,000	100,000
2038	-	2,400,000	2,400,000
2039	-	2,440,000	2,440,000
	\$2,755,000	\$ 5,700,000	\$8,455,000
Redemption Date:	9/1/2021	9/1/2021	

The Escrow Agreement

The principal of and interest due on the Refunded Bonds are to be paid on the scheduled interest payment dates and the redemption date of such Refunded Bonds, as applicable, from cash and direct obligations of the United States of America (the "Escrowed Securities") to be deposited pursuant to a certain Escrow Agreement (the "Escrow Agreement") between the Master District and UMB Bank, N.A., Austin, Texas (the "Escrow Agent"). The Bond Resolution provides that from the proceeds of the sale of the Bonds received from the Underwriter, the Master District will deposit with the Escrow Agent cash and direct obligations of the United States in amounts sufficient to accomplish the discharge and final payment of the Refunded Bonds on their redemption date.

In connection with the issuance of the Bonds, the Master District will give irrevocable instructions to provide notice to the owners of the Refunded Bonds that the Refunded Bonds will be redeemed prior to their stated maturities on the redemption date, on which date money will be made available to redeem the Refunded Bonds from money held under the Escrow Agreement.

By the deposit of direct obligations of the United States and cash with the Escrow Agent pursuant to the Escrow Agreement, the Master District will have effected the defeasance of the Refunded Bonds pursuant to the terms of the Bond Resolution authorizing the issuance of such Refunded Bonds and in accordance with State law and in reliance upon the Verification Report described herein. It is the opinion of Bond Counsel that, as a result of such defeasance and in reliance upon the Verification Report of Public Finance Partners LLC (the "Verification Report"), the Refunded Bonds are deemed to have been fully paid and no longer outstanding, except for the purpose of being paid from funds provided therefore in the Escrow Agreement, and the Master District will have no further responsibility with respect to amounts available for the payment of such defeased bonds, including any insufficiencies.

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The Remaining Outstanding Bonds

The following bonds will remain outstanding after issuance of the Bonds (collectively, the “Remaining Outstanding Contract Bonds”):

Year	Series 2011	Series 2012	Series 2013	Series 2015	Series 2015A	Series 2016	Series 2016A	Series 2017	Series 2017A	Series 2019	Series 2019A	Series 2020	The Bonds	Total
2021	\$ 530,000	\$ 520,000	\$ 325,000	\$ 25,000	\$ 25,000	\$ 155,000	\$ 475,000	\$ 15,000	\$ 540,000	\$ 5,000	\$ -	\$ 35,000	\$ 50,000	\$ 2,700,000
2022	555,000	-	525,000	-	-	5,000	475,000	15,000	555,000	5,000	510,000	40,000	40,000	2,725,000
2023	-	-	-	-	-	265,000	500,000	15,000	575,000	5,000	1,315,000	40,000	40,000	2,755,000
2024	-	-	-	-	-	255,000	525,000	15,000	595,000	10,000	1,375,000	45,000	65,000	2,885,000
2025	-	-	-	-	-	265,000	550,000	15,000	615,000	10,000	1,410,000	45,000	70,000	2,980,000
2026	-	-	-	-	-	265,000	575,000	15,000	635,000	10,000	1,465,000	45,000	70,000	3,080,000
2027	-	-	-	-	-	235,000	600,000	20,000	655,000	10,000	1,565,000	45,000	85,000	3,215,000
2028	-	-	-	-	-	5,000	5,000	20,000	675,000	10,000	1,465,000	460,000	825,000	3,465,000
2029	-	-	-	-	-	5,000	5,000	20,000	695,000	25,000	1,225,000	850,000	865,000	3,690,000
2030	-	-	-	-	-	5,000	5,000	20,000	720,000	25,000	1,275,000	485,000	950,000	3,485,000
2031	-	-	-	-	-	35,000	625,000	20,000	745,000	25,000	1,340,000	965,000	65,000	3,820,000
2032	-	-	-	-	-	730,000	650,000	20,000	770,000	25,000	680,000	990,000	65,000	3,930,000
2033	-	-	-	-	-	1,600,000	675,000	20,000	795,000	25,000	-	990,000	65,000	4,170,000
2034	-	-	-	-	-	2,755,000	700,000	25,000	820,000	25,000	-	-	110,000	4,435,000
2035	-	-	-	-	-	2,865,000	725,000	25,000	845,000	25,000	-	-	110,000	4,595,000
2036	-	-	-	-	-	-	750,000	2,680,000	875,000	15,000	-	-	110,000	4,430,000
2037	-	-	-	-	-	-	775,000	2,785,000	900,000	5,000	-	-	110,000	4,575,000
2038	-	-	-	-	-	-	1,150,000	-	930,000	5,000	-	-	2,405,000	4,490,000
2039	-	-	-	-	-	-	1,375,000	-	960,000	25,000	-	-	2,405,000	4,765,000
2040	-	-	-	-	-	-	1,760,000	-	990,000	1,800,000	-	-	-	4,550,000
2041	-	-	-	-	-	-	-	-	1,025,000	1,900,000	-	-	-	2,925,000
2042	-	-	-	-	-	-	-	-	-	2,000,000	-	-	-	2,000,000
2043	-	-	-	-	-	-	-	-	-	2,000,000	-	-	-	2,000,000
	<u>\$ 1,085,000</u>	<u>\$ 520,000</u>	<u>\$ 850,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 9,445,000</u>	<u>\$12,900,000</u>	<u>\$ 5,745,000</u>	<u>\$15,915,000</u>	<u>\$ 7,990,000</u>	<u>\$13,625,000</u>	<u>\$ 5,035,000</u>	<u>\$ 8,505,000</u>	<u>\$81,665,000</u>

Sources and Uses of Funds

The proceeds from the sale of the Bonds will be applied approximately as follows:

Sources of Funds:		
Par Amount of Bonds		\$8,505,000.00
Net Premium		<u>440,856.85</u>
Total Sources of Funds		\$8,945,856.85
Uses of Funds:		
Escrow Deposit		\$8,601,381.25
Costs of Issuance ^(a)		280,730.31
Underwriter's Discount		61,778.87
Deposit to Debt Service Fund (Rounding Amount)		<u>1,966.42</u>
Total Uses of Funds		\$8,945,856.85

(a) Includes municipal bond insurance premium.

THE BONDS

General Description

The Bonds will bear interest from the Date of Delivery, as defined on the cover page, and will mature on September 1 of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on the inside cover page hereof. Interest on the Bonds will be paid on September 1, 2021 and each March 1 and September 1 thereafter until maturity and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only utilizing DTC's book-entry-only system (the "Book-Entry-Only System"). So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent for the Bonds is UMB Bank, N.A., Austin, Texas (the "Paying Agent" or "Paying Agent/Registrar").

Redemption

Optional Redemption . . . The Bonds maturing on and after September 1, 2029, are subject to redemption prior to maturity at the option of the Master District, in whole or from time to time in part, on September 1, 2028, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption.

Mandatory Sinking Fund Redemption . . . In addition to being subject to optional redemption, as provided above, the Bonds maturing on September 1, 2033, September 1, 2035, and September 1, 2038 (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date from amounts required to be deposited in the Debt Service Fund:

\$195,000 Term Bond Maturing September 1, 2033			\$220,000 Term Bond Maturing September 1, 2035			\$2,625,000 Term Bond Maturing September 1, 2038		
Mandatory			Mandatory			Mandatory		
Redemption	Principal		Redemption	Principal		Redemption	Principal	
<u>Date</u>	<u>Amount</u>		<u>Date</u>	<u>Amount</u>		<u>Date</u>	<u>Amount</u>	
2031	\$ 65,000		2034	\$ 110,000		2036	\$ 110,000	
2032	65,000		2035*	110,000		2037	110,000	
2033*	65,000					2038*	2,405,000	

*Stated Maturity.

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Master District, by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the Master District, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent for cancellation, (2) shall have been purchased and cancelled by the Paying Agent at the request of the Master District, with monies in the Debt Service Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

Notice of Redemption . . . At least 30 calendar days prior to the date fixed for any optional redemption of Bonds or portions thereof prior to maturity a written notice of such optional redemption shall be sent by the Paying Agent by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th calendar day prior to such optional redemption date and to major securities depositories and bond information services.

The Bonds of a denomination larger than \$5,000 may be redeemed in part (\$5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed has been received by the Paying Agent prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the Master District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the Master District will not redeem such Bonds, and the Paying Agent will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Selection of Bonds for Redemption

If less than all of the Bonds are called for redemption, the particular Bonds, or portions thereof, or sinking fund installments, in the case of Term Bonds, to be redeemed shall be selected and designated by the Master District, and if less than all of a maturity, or sinking fund installment in the case of Term Bonds, is to be redeemed, the Paying Agent/Registrar shall determine by lot or other customary random method the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of \$5,000 principal amount); provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity, or sinking fund installment in the case of Term Bonds, and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity, such interest rate and such sinking fund installment in the case of Term Bonds shall be selected in accordance with the arrangements between the Master District and the securities depository.

DTC Redemption Provisions

The Paying Agent and the Master District, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Bond Resolution or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant, as herein defined, or of any Direct Participant or Indirect Participant, as herein defined, to notify the beneficial owner, shall not affect the validity of the redemption of Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Master District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC Participants in accordance with its rules or other agreements with DTC Participants and then Direct Participants and Indirect Participants may implement a redemption of such Bonds and such redemption will not be conducted by the Master District or the Paying Agent. Neither the Master District nor the Paying Agent will have any responsibility to the DTC Participants. Indirect Participants or the persons for whom DTC Participants act as nominees with respect to the payments on the Bonds or the providing of notice to Direct Participants, Indirect Participants, or beneficial owners of the selection of portions of the Bonds for redemption.

Termination of Book-Entry-Only System . . . The Master District is initially utilizing the Book-Entry-Only System of DTC. See "BOOK-ENTRY-ONLY SYSTEM." In the event that the Book-Entry-Only System is discontinued by DTC or the Master District, the following provisions will be applicable to the Bonds.

Payment . . . Principal of the Bonds will be payable at maturity to the registered owners as shown by the registration books maintained by the Paying Agent upon presentation and surrender of the Bonds to the Paying Agent at the designated office for payment of the Paying Agent in Austin, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds will be payable by check or draft, dated as of the applicable interest payment date, sent by the Paying Agent by United States mail, first-class, postage prepaid, to the registered owners at their respective addresses shown on such records, or by such other method acceptable to the Paying Agent requested by registered owner at the risk and expense of the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day

on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

Registration. . . If the Book-Entry-Only System is discontinued, the Bonds may be transferred and re-registered on the registration books of the Paying Agent only upon presentation and surrender thereof to the Paying Agent at the Designated Payment/Transfer Office. A Bond also may be exchanged for a Bond or Bonds of like maturity and interest and having a like aggregate principal amount or maturity amount, as the case may be, upon presentation and surrender at the Designated Payment/Transfer Office. All Bonds surrendered for transfer or exchange must be endorsed for assignment by the execution by the registered owner or his duly authorized agent of an assignment form on the Bonds or other instruction of transfer acceptable to the Paying Agent. Transfer and exchange of Bonds will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such transfer or exchange. A new Bond or Bonds, in lieu of the Bond being transferred or exchanged, will be delivered by the Paying Agent to the registered owner, at the Designated Payment/Transfer Office of the Paying Agent or by United States mail, first-class, postage prepaid. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer in denominations of \$5,000 or any integral multiple thereof.

Limitation on Transfer of Bonds . . . Neither the Master District nor the Paying Agent shall be required to make any transfer, conversion or exchange to an assignee of the registered owner of the Bonds (i) during the period commencing on the close of business on the fifteenth (15th) calendar day of the month (whether or not a business day) preceding each interest payment date (the “Record Date”) and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Replacement Bonds . . . If a Bond is mutilated, the Paying Agent will provide a replacement Bond in exchange for the mutilated bond. If a Bond is destroyed, lost, or stolen, the Paying Agent will provide a replacement Bond upon (i) the filing by the registered owner with the Paying Agent of evidence satisfactory to the Paying Agent of the destruction, loss or theft of the Bond and the authenticity of the registered owner’s ownership and (ii) the furnishing to the Paying Agent of indemnification in an amount satisfactory to hold the Master District and the Paying Agent harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond must be borne by the registered owner. The provisions of the Bond Resolution relating to the replacement Bonds are exclusive and to the extent lawful, preclude all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

Authority for Issuance

The Master District is authorized pursuant to the Master District Contract to issue unlimited tax bonds for the construction of the Master District’s water, sanitary sewer, and drainage system. In accordance with said authorization, after the issuance of the Bonds, the Master District will have the following unlimited contract tax bonds outstanding: \$1,085,000 Unlimited Contract Tax Refunding Bonds, Series 2011 (the “Series 2011 Bonds”); \$520,000 Unlimited Contract Tax Refunding Bonds, Series 2012 (the “Series 2012 Bonds”); \$850,000 Unlimited Contract Tax Refunding Bonds, Series 2013 (the “Series 2013 Bonds”); \$25,000 Unlimited Contract Tax Refunding Bonds, Series 2015 (the “Series 2015 Bonds”); \$25,000 Unlimited Contract Tax Bonds, Series 2015A (the “Series 2015A Bonds”); \$9,445,000 Unlimited Contract Tax Refunding Bonds, Series 2016 (the “Series 2016 Bonds”); \$12,900,000 Unlimited Contract Tax Bonds, Series 2016A (the “Series 2016A Bonds”); \$5,745,000 Unlimited Contract Tax Refunding Bonds, Series 2017 (the “Series 2017 Bonds”); \$15,915,000 Unlimited Contract Tax Bonds, Series 2017A (the “Series 2017A Bonds”); \$7,990,000 Unlimited Contract Tax Bonds, Series 2019 (the “Series 2019 Bonds”); \$13,625,000 Unlimited Contract Tax Refunding Bonds, Series 2019A (the “Series 2019A Bonds”); \$5,035,000 Unlimited Contract Tax Refunding Bonds, Series 2020 (the “Series 2020 Bonds”); and \$8,505,000 Unlimited Contract Tax Refunding Bonds, Series 2021 (the “Bonds” and, collectively, the “Remaining Outstanding Contract Bonds.”)

The Bonds are issued pursuant to the Master District Contract, an election held on November 7, 1995 within each of the Participants approving the Master District Contract and the levy of taxes in support thereof, the Bond Resolution, the Trust Indenture, Chapter 1207, Texas Government Code, as amended, Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution.

All of the previously issued series of bonds are collectively referred to as the “Outstanding Contract Bonds.” The Master District reserves the right to issue additional unlimited contract tax bonds.

Source of and Security for Payment

The Bonds constitute valid and legally binding special obligations of the Master District, except as the enforceability thereof may be limited by laws relating to governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws now or hereafter enacted related to creditors’ rights generally or by general principles of equity which permit the exercise of judicial discretion. The Bonds are payable solely from and to the extent that certain payments required by the Master District Contract are made by the Participants to the Trustee for the purpose of paying the debt service on the Bonds and Outstanding Contract Bonds. The Master District Contract provides that all

Participants shall pay a pro rata share of debt service on the Master District bonds, including the Bonds and Outstanding Contract Bonds, and any future unlimited contract tax bonds based upon the Participants' certified assessed valuation as a percentage of the total assessed valuation in the Participants (the "Service Area") except that pursuant to its Master District Contract, Travis County Municipal Utility District No. 5 and Travis County Municipal Utility District No. 6 may choose not to utilize the Master District's wastewater treatment services and in such instance will not be responsible for any debt service on bonds issued for wastewater facilities. The debt service requirements shall be calculated to include the charge and expenses of paying agents, registrars and trustees utilized in connection with the Bonds, the principal, interest and redemption requirements of the Bonds and all amounts required to establish and maintain funds established under the Bond Resolution or Trust Indenture. Each Participant is obligated to pay its pro rata share of the annual debt service on the Bonds and Outstanding Contract Bonds from the proceeds of an annual ad valorem contract tax which is not limited as to rate or amount, revenues derived from the operation of each Participant's internal water, wastewater, and drainage system or from any other legally available funds of each Participant. Each Participant's pro rata share of debt service requirements will be calculated annually by the Master District; however, the levy of a contract tax for the purpose of paying debt service on the Bonds and Outstanding Contract Bonds is the sole responsibility of each Participant. See "SUMMARY OF CERTAIN DOCUMENTS."

The Bonds and Outstanding Contract Bonds are secured by a Trust Indenture from the Master District to the Trustee. Pursuant to the Trust Indenture, the Master District has assigned to the Trustee all of the Master District's right, title, and interest in and to the Pledged Contract Payments (as herein defined) required by the Master District Contract. See "SUMMARY OF CERTAIN DOCUMENTS – Trust Indenture."

Payment Record

The Master District has previously issued sixteen series of unlimited contract tax bonds and eleven series of unlimited contract tax refunding bonds. See "COMPOSITE FINANCIAL STATEMENT – Outstanding Contract Tax Bonds." The Master District has never defaulted in payment of principal or interest on the Outstanding Contract Bonds. Capitalized interest in an amount equal of up to two years' debt service requirements was included in each series of unlimited contract tax bonds, except the refunding bonds.

Pledged Contract Payments by the Participants

Principal of and interest on the Bonds and Outstanding Contract Bonds are payable from and secured by an unconditional obligation to make certain payments that are to be made severally by the Participants pursuant to the Master District Contract for the purpose of paying their pro rata shares of debt service requirements which includes principal of and interest on the Bonds and any additional bonds, amounts to be deposited in the Reserve Fund and fees and charges due the Trustee and the Paying Agent (the "Pledged Contract Payments"). By execution of the Master District Contract, the Participants have each agreed to pay such pro rata share of debt service on the Bonds, Outstanding Contract Bonds and any additional bonds based upon the certified assessed valuation of each Participant as a percentage of the total assessed valuation of the Service Area. Participants are obligated to make such debt service payments from the proceeds of an annual unlimited ad valorem contract tax levied by such Participant on land within its boundaries for such purpose (the "Contract Tax"). No Participant is liable for the payments due by any other Participant. The Bonds and Outstanding Contract Bonds are limited obligations of the Master District, payable solely from the Pledged Contract Payments and certain funds held by the Trustee under the Trust Indenture, and are not obligations of the State of Texas; Travis County, Texas; the City of Austin, Texas; or any entity other than the Master District. See "SUMMARY OF CERTAIN DOCUMENTS – Master District Contract." The Master District shall calculate on or before September 1 of each year, or as soon thereafter as practical, the amount of Pledged Contract Payments due from each Participant in the following calendar year. The Contract Payments shall be billed to each Participant by the Master District on or before September 1 of the year prior to the year in which such Pledged Contract Payments become due, or as soon thereafter as practical. Such Pledged Contract Payments shall be due and payable from each Participant directly to the Trustee semiannually on or before February 15 and August 15 of each year.

Unconditional Obligation to Pay

All charges imposed by the Master District to pay debt service on the Bonds and Outstanding Contract Bonds will be made by the Participants without set-off, counterclaim, abatement, suspension, or diminution, nor will any Participant have any right to terminate the Master District Contract nor be entitled to the abatement of any such payment or any reduction thereof nor will the obligations of the Participants be otherwise affected for any reason, including without limitation acts or conditions of the Master District that might be considered failure of consideration, eviction or constructive eviction, destruction or damage to the Master District Facilities, failure of the Master District to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with the Master District Contract. All sums required to be paid by the Participants to the Master District for such purposes will continue to be payable in all events and the obligations of the Participants will continue unaffected, unless the requirement to pay is reduced or terminated pursuant to an express provision of the Master District Contract. If any Participant disputes the amount to be paid to the Master District, the Participant shall nonetheless promptly make payments as billed by the Master District, and if it is subsequently determined by agreement, arbitration, regulatory decision, or court decision that such disputed payment should have been less, the Master District will then make proper adjustments to all Participants so that the appropriate Participant will receive credit for its overpayments.

Funds

Pursuant to the Trust Indenture, a Debt Service Fund and a Reserve Fund have been created as trust funds for the benefit of the registered owners of the Bonds and Outstanding Contract Bonds. The proceeds from Pledged Contract Payments collected for and on account of the

Bonds and Outstanding Contract Bonds shall be transferred to the Trustee directly from each Participant by February 15 and August 15 of each year and then deposited in the Debt Service Fund. See "SUMMARY OF CERTAIN DOCUMENTS – Trust Indenture."

Defeasance of Outstanding Bonds

General. The Bond Resolution provides for the defeasance of the Bonds and the termination of the pledge of Pledged Contract Payments and all other general defeasance covenants in the Bond Resolution under certain circumstances. Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Obligation") within the meaning of the Bond Resolution, except to the extent provided below for the Paying Agent to continue payments and for the Master District to retain the right to call Defeased Obligations to be paid at maturity, when the payment of all principal and interest payable with respect to such Bond to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities (defined below) that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Master District with the Paying Agent or an eligible trust company or commercial bank for the payment of its services until after all Defeased Obligations shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Obligation, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Contract Payments pledged as provided in the Bond Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

The deposit under clause (ii) above shall be deemed a payment of a Bond when proper notice of redemption of such Bonds shall have been given or the establishment of irrevocable provisions for the giving of such notice, in accordance with the Bond Resolution. Any money so deposited with the Paying Agent or an eligible trust company or commercial bank may at the discretion of the Board of Directors also be invested in Defeasance Securities, maturing in the amounts and at the times as set forth in the Bond Resolution, and all income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Board of Directors.

All money or Defeasance Securities set aside and held in trust pursuant to the provisions of the Bond Resolution for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Obligations shall have become due and payable, the Paying Agent shall perform the services of Registrar for such Defeased Obligations the same as if they had not been defeased, and the Master District shall make proper arrangements to provide and pay for such services as required by the Bond Resolution.

For purposes of these provisions, "Defeasance Securities" means (i) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; (iii) non-callable 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 Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

If money or Defeasance Securities have been deposited or set aside with the Paying Agent or an eligible trust company or commercial bank for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the defeasance provisions of the Bond Resolution shall be made without the consent of the registered owner of each Bond affected thereby.

Retention of Rights. To the extent that, upon the defeasance of any Defeased Obligation to be paid at its maturity, the Master District retains the right under Texas law to later call that Defeased Obligation for redemption in accordance with the provisions of the Bond Resolution, the Master District may call such Defeased Obligation for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions set forth above regarding such Defeased Obligation as though it was being defeased at the time of the exercise of the option to redeem the Defeased Obligation and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Obligation.

Investments. Any escrow agreement or other instrument entered into between the Master District and the Paying Agent or an eligible trust company or commercial bank pursuant to which money and/or Defeasance Securities are held by the Paying Agent or an eligible trust company or commercial bank for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of certain requirements. All income

from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, will be remitted to the Master District or deposited as directed in writing by the Master District.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made without amounts deposited to defease the Bonds. Because the Bond Resolution does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or those for any other Defeasance Securities will be maintained at any particular rating category.

Trustee/Paying Agent/Registrar

Principal of and semiannual interest on the Bonds will be paid by UMB Bank, NA, having its principal payment office in Austin, Texas the initial paying agent/registrar (the "Paying Agent"). The Paying Agent must be either a bank, trust company, financial institution, or other entity duly qualified and equally authorized to serve and perform the duties as paying agent and registrar for the Bonds. UMB Bank, NA, has also been appointed to serve as the Trustee under the Trust Indenture. See "SUMMARY OF CERTAIN DOCUMENTS – Trust Indenture."

Provision is made in the Bond Resolution for the Master District to replace the Paying Agent by a resolution of the Master District giving notice to the Paying Agent of the termination of the appointment, stating the effective date of the termination and appointing a successor Paying Agent. If the Paying Agent is replaced by the Master District, the new paying agent/registrar shall be required to accept the previous Paying Agent's records and act in the same capacity as the previous Paying Agent. Any successor paying agent/registrar selected by the Master District shall be subject to the same qualification requirements as the Paying Agent. The successor paying agent/registrar, if any, shall be determined by the Board of Directors and written notice thereof, specifying the name and address of such successor Paying Agent will be sent by the Master District or the successor paying agent/registrar to each registered owner by first-class mail, postage prepaid.

Record Date

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

Issuance of Additional Bonds

The Master District may issue an unlimited amount of additional contract tax bonds necessary to provide those improvements and facilities pursuant to the terms of the Master District Contract, with the approval of the TCEQ, and the Participants would be responsible for the debt service on such bonds. See "Source of and Security for Payment" above, "INVESTMENT CONSIDERATIONS – Future Debt" and "COMPOSITE FINANCIAL STATEMENT – Outstanding Contract Tax Bonds." The Bond Resolution imposes no limitation on the amount of additional bonds which may be issued by the Master District. Any additional contract tax bonds issued by the Master District may be on a parity with the Bonds and outstanding Contract Bonds.

The issuance of additional obligations may increase the Master District's tax rate and adversely affect the security for, and the investment quality and value of, the Bonds. The Master District does not employ any formula with respect to assessed valuations, tax collections, or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds for the construction of additional Master District Facilities is subject to approval by the TCEQ pursuant to issuance guidelines established by it. See "INVESTMENT CONSIDERATIONS – Future Debt."

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to Section 49.186 of the Texas Water Code, bonds, notes or other obligations issued by a municipal utility 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." Additionally, Section 49.186 of the Texas Water Code provides that bonds, notes or other obligations issued by a municipal utility district are eligible and lawful security for all deposits of public funds of the State and all agencies, subdivisions, and instrumentalities of the State. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Bonds may have to be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. See "MUNICIPAL BOND RATINGS" AND "BOND INSURANCE."

The Master District makes no representation that the Bonds will be acceptable to banks, savings and loan associations or public entities for investment purposes or to secure deposits of public funds. The Master District has made no investigation of other laws, regulations or investment criteria which might apply to or otherwise limit the availability of the Bonds for investment or collateral purposes. Prospective

purchasers are urged to carefully evaluate the investment quality of the Bonds and as to the acceptability of the Bonds for investment or collateral purposes.

Specific Tax Covenants

In the Bond Resolution, the Master District has covenanted with respect to, among other matters, the use of the proceeds of the Bonds and the manner financed therewith by persons other than state or local governmental units, and the manner in which the proceeds of the Bonds are to be invested. The Master District may cease to comply with any such covenant if it has received a written opinion of a nationally recognized bond counsel to the effect that regulations or rulings hereafter promulgated modify or expand provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that such covenant is ineffective or inapplicable or compliance with such covenant adversely effects the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code.

Additional Covenants

The Master District has additionally covenanted in the Bond Resolution that it will keep accurate records and accounts and employ an independent certified public accountant to audit and report on its financial affairs at the close of each fiscal year, such audits to be in accordance with applicable law, rules, and regulations and open to inspection in the office of the Master District.

Remedies in Event of Default

The Bond Resolution establishes specific events of default with respect to the Bonds. If the Master District defaults in the payment of the principal of or interest on the Bonds when due, or the Master District defaults in the observance or performance of any of the covenants, conditions, or obligations of the Master District, the failure to perform which materially, adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Bond Resolution, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the Master District, the Bond Resolution and Chapter 54 of the Texas Water Code provide that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the Master District to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Bond Resolution and the Master District's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. 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. The Bond Resolution does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the Master District to perform in accordance with the terms of the Bond Resolution, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("*Wasson I*"), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I*, *Wasson Interests, Ltd. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) ("*Wasson II*", and together with *Wasson I*, "*Wasson*"), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question. On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 49 Tex. Sup. Ct. J. 819 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the Master District's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the Master District for breach of the Bonds or Bond Resolution covenants. Even if a judgment against the Master District could be obtained, it could not be enforced by direct levy and execution against the Master District's property. Further, the registered owners cannot themselves foreclose on property within the Master District or sell property within the Master District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the Master District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the Master District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any

proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors. See “INVESTMENT CONSIDERATIONS – Registered Owners’ Remedies” and “– Bankruptcy Limitation to Registered Owners’ Rights” and “SUMMARY OF CERTAIN DOCUMENTS – Trust Indenture.”

Annexation and Consolidation

The Master District and the Participants are subject to annexation under certain circumstances. See “ANNEXATION.”

If a municipal utility district is annexed, the annexing municipality must assume the assets, functions, and obligations of the district, including outstanding bonds, and the pledge of taxes will terminate. No representation is made concerning the likelihood of annexation and dissolution of the Master District and Participants or the ability of the City to make debt service payments on the Bonds should dissolution occur.

In addition, a district (such as the Master District or any Participant) 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, with the water and wastewater systems of districts with which it is consolidating as well as its liabilities (which would include such district’s pro rata share of debt service on the Bonds). No representation is made concerning the likelihood of consolidation by any of the Participants.

Alteration of Boundaries

In certain circumstances, under Texas law any Participant (including the Master District) may alter its boundaries to (1) upon satisfying certain conditions, annex additional territory; and (2) exclude land subject to taxation within the Master District or Participant that is not served by Master District Facilities or internal facilities of a Participant if the Participant simultaneously annexes land of equal acreage and value that may be practicably served by Master District Facilities and the internal facilities of such Participant. No representation is made concerning the likelihood that any Participant would effect any change to its boundaries.

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the quality of the Bonds as an investment, nor does he pass upon the adequacy or accuracy of the information contained in this Official Statement.

Amendments to Bond Resolution

The Master District may without the consent of or notice to any registered owners amend the Bond Resolution in any manner not detrimental to the interest of the registered owners, including (i) the curing of an ambiguity, inconsistency, or formal defect or omission therein (ii) adding covenants, limitations, and restrictions not inconsistent with the Bond Resolution, and (iii) permitting the assumption of the Master District’s obligations under the Bond Resolution. In addition, the Master District may, with the written consent of the owners of a majority in principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Bond Resolution, except that, without the consent of the owners of all of the Bonds affected, no such amendment, addition, or rescission may (1) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price therefore, or the rate of interest thereon, change the place or places at, or the coin or currency in which, any Bond or the interest thereon is payable, or in any other way modify the terms of payment of the principal of or interest on the Bonds; (2) give any preference to any Bond over any other Bond; or (3) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission. In addition, a state, consistent with federal law, may in the exercise of its police powers make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of its political subdivisions as are reasonable and necessary for attainment of an important public purpose.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by the DTC while the Bonds are registered in its nominee’s 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 Master District and the Underwriter believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The Master District and the Underwriter cannot and do not give any assurance that (i) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participant, (ii) 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 (iii) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the SEC, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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 securities 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 3.5 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 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 of line dealers, banks, trust companies, and clearing corporation that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. 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 or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Master District 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, interest and principal 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 Master District or the 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 nor its nominee, the Paying Agent/Registrar, or the Master District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, interest, and principal payments to Cede

& Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Master 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.

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

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

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Resolution will be given only to DTC.

The information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the Master District believes to be reliable, but the Master District takes no responsibility for the accuracy thereof.

SUMMARY OF CERTAIN DOCUMENTS

Master District Contract

Each of the Participants has executed the Master District Contract with the Master District and obtained the approval of the Master District Contract from the voters of each Participant at elections held separately within the boundaries of each Participant. The Master District Contract provides that all Participants shall pay a pro rata share of debt service on the Master District bonds, including the Bonds, the Outstanding Contract Bonds and any future unlimited contract tax bonds based upon each Participant's assessed valuation as a percentage of the total certified assessed valuation in the Service Area. Each Participant is obligated to pay its pro rata share of the annual debt service payments from the proceeds of an annual ad valorem Contract Tax which is not limited as to rate or amount which includes the charges and expenses of paying agents, registrars, and trustees utilized in connection with the Bonds, the principal, interest and redemption requirements of the Bonds and all amounts required to establish and maintain funds established under the Bond Resolution or Trust Indenture. Each Participant's pro rata share of debt service requirements will be calculated annually by the Master District; however, the levy of a Contract Tax or other available means of payment is the sole responsibility of each Participant for the purpose of paying its pro rata share of debt service on the Bonds. The Master District Facilities have been constructed with funds provided by Stratus Properties and proceeds from the outstanding Contract Bonds and future unlimited contract tax bonds issued by the Master District will be used to purchase the Master District Facilities from Stratus Properties. The Master District Contract also provides for operation and maintenance expenses for facilities constructed pursuant to the Master District Contract; duties of the parties; establishment and maintenance of funds; assignment; arbitration; amendments; force majeure; insurance; and other provisions.

The Master District will own and operate the Master District Facilities. Each Participant within the Service Area (including the Master District in its capacity as provider of internal water distribution, wastewater collection and storm drainage to serve the acreage within its boundaries) will own the internal water distribution, wastewater collection and storm drainage lines within its boundaries; however, the Participants have contracted with the Master District to operate and provide retail billing and collection for their respective internal facilities. The internal facilities have been or are expected to be financed with unlimited tax bonds sold by each of the Participants, including the Master District. It is anticipated that the Master District Facilities will be acquired or constructed in stages to meet the needs of a continually expanding population within the Service Area. In the event that the Master District fails to meet its obligations to provide Master District Facilities as required by the Master District Contract, each Participant has the right pursuant to the Master District Contract to design, acquire, construct, or expand the Master District Facilities needed to provide service to each Participant, and convey such Master District Facilities to the Master District in consideration of payment by the Master District of the actual reasonable necessary capital costs expended by each Participant for such Master District Facilities.

Each Participant is further obligated to pay monthly charges to the Master District for water, sewer, and drainage, including water quality, services rendered pursuant to the Master District Contract ("Monthly Charge"). The Monthly Charges to be paid by each Participant to the Master District will be used to pay each Participant's share of operation and maintenance expenses and to provide for an operation and maintenance reserve equal to three months of operation and maintenance expenses. Each Participant's share of operation and maintenance expenses and reserve requirements is calculated by the Master District and expressed in terms of "cost per equivalent single-family residential connection." Each Participant's monthly payment to the Master District for operation and maintenance will be calculated based upon a combination of actual usage and on usage by multiplying the number of equivalent single-family residential connections reserved to each Participant on the first day of the previous month for each of such services by the unit cost per equivalent single-family residential connection. The monthly cost per single family equivalent connection being charged by the Master District to a Participant for water, sewer, and drainage, including water quality, services is presently approximately \$149.80 (winter average monthly use of 20,000 gallon water/10,000 gallon wastewater). See "INVESTMENT CONSIDERATIONS – Water, Wastewater and Water Quality." Pursuant to the

Master District Contract, the Monthly Charges are to be paid from the water, wastewater and drainage revenues collected from the internal facilities of each Participant or, to the extent such revenues are not sufficient, the levy of an ad valorem contract tax.

Pursuant to the Master District Contract each Participant is obligated to establish and maintain rates, fees and charges for services provided by each Participant's water distribution system, wastewater collection system, and drainage system, together with taxes levied and funds received from any other lawful sources, sufficient at all times to pay each Participant's operation and maintenance expenses, and each Participant's obligations pursuant to the Master District Contract, including each Participant's pro rata share of the Master District's debt service requirements, monthly charges and any expenses related to the retail operation, billing and collecting of the internal facilities by the Master District. All sums payable by each Participant to the Master District pursuant to the Master District Contract are to be paid without set off, counterclaim, abatement, suspension, or diminution. If any Participant fails to pay its share of these costs in a timely manner, the Master District Contract provides that the Master District shall be entitled to cancel, in whole or in part, any reservation or allocation of capacity in the Master District's Facilities by such Participant in addition to the Master District's other remedies pursuant to the Master District Contract. As a practical matter, the Participants have no alternative provider of the services rendered by the Master District under the Master District Contract. See "THE BONDS –Source of and Security for Payment" and – "Unconditional Obligation to Pay." Under certain conditions the Master District may extend the Service Area and provide services to other parties who will become Participants and agree to assume their pro rata share of the bonded indebtedness of the Master District Facilities in the same manner as the existing Participants. In addition, the Master District is authorized to provide services to others as long as the providing of such services does not impair the right of a Participant to receive service from the Master District. The Master District has contracted to provide certain wholesale services to parties who are not Participants. See "PARTICIPANTS IN CURRENT SERVICE AREA – Future Participants" and "MASTER DISTRICT FACILITIES – Wholesale Service Agreements."

The Master District Contract and the Bond Resolution also reserve the right of the Master District to sell, encumber or dispose of the Master District Facilities under certain circumstances. Such sale, encumbrance or disposition can occur only if: (i) it is in accordance with the Master District Contract, (ii) does not impair the ability of the Participants to receive service under the Master District Contract or make payments on the Bonds, (iii) the Master District receives an opinion of nationally recognized bond counsel that it will not adversely affect the tax exempt status of the Bonds, (iv) the Participants do not incur debt or other obligations except as contemplated by the Master District Contract and (v) the Master District makes a finding that it is in the best interest of the Master District and the Participants. The sale of the Master District Facilities is not currently contemplated by the Master District; however, no assurances can be given regarding whether the Master District will exercise this right under the Master District Contract.

Trust Indenture

The Bonds are further secured by a Trust Indenture (the "Trust Indenture") from the Master District to UMB Bank, NA, Austin, Texas, as successor Trustee to BOKF, NA. Pursuant to the Trust Indenture, the Master District has assigned to the Trustee all of the Master District's right, title, and interest in and to the Pledged Contract Payments under the Master District Contract. Such Pledged Contract Payments, together with all amounts from time to time on deposit in the Debt Service Fund and Reserve Fund maintained by the Trustee pursuant to the Trust Indenture, together with any other security from time to time thereafter granted to the Trustee shall constitute the "Pledged Revenues" held by the Trustee under the Trust Indenture.

Pursuant to the Trust Indenture, the Trustee is to maintain the Debt Service Fund and Reserve Fund as trust funds to be held in trust solely for the benefit of the registered owners of the Bonds and Outstanding Contract Bonds. The Master District has covenanted in the Trust Indenture that it will cause to be charged to each Participant, and collected and deposited into the Debt Service Fund, Pledged Contract Payments in amounts sufficient, together with other Pledged Revenues, to provide for the payment of all interest due on the Bonds and Outstanding Contract Bonds on or before each interest payment date and all principal payments on the Bonds and Outstanding Contract Bonds on each principal payment date. The Debt Service Fund and the Reserve Fund are to be invested only in investments authorized by the laws of the State of Texas but must be invested in a manner such that the money required to be expended from any fund will be available at the proper time or times. Amounts in the Reserve Fund shall be used to pay interest on and principal of the Bonds and outstanding Contract Bonds when insufficient funds are available for such purpose in the Debt Service Fund or to be applied toward the payment of principal of or interest on the Bonds and Outstanding Contract Bonds, or additional bonds hereafter issued pursuant to the Master District Contract or in connection with the refunding or redemption of the Bonds and Outstanding Contract Bonds or any additional bonds.

The Trust Indenture provides that an Event of Default shall be either of the following occurrences:

- (a) Failure to pay when due the principal, redemption price or interest on any Bond and Outstanding Contract Bonds; or
- (b) Failure to deposit to the Debt Service Fund money sufficient to pay any principal of or interest on any Bond and Outstanding Contract Bonds no later than the date when it becomes due and payable.

Upon the occurrence of an Event of Default, the Trustee is required to give notice thereof to the Master District and, subject to the other provisions of the Trust Indenture, may proceed to protect and enforce its rights and the rights of the registered owners of the Bonds and outstanding Contract Bonds by suit, action or proceeding at equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in the Trust Indenture, Bond Resolution, Bonds or Outstanding Contract Bonds or in aid of the execution of

any power granted in the Trust Indenture or for the enforcement of any of the legal, equitable or other remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or such registered owner, including, without limitation, requesting a writ of mandamus issued by a court of competent jurisdiction compelling the directors and other officers of the Master District and/or the Participants to make such payment (but only from and to the extent of the sources provided in the Trust Indenture) or to observe and perform its other covenants, obligations and agreements in the Trust Indenture. The Trust Indenture provides that the Trustee may seek the appointment of receivers, may act without possession of the Bonds or Outstanding Contract Bonds, may act as attorney in fact for the registered owners, no remedy is exclusive and that the delay or omission in the exercise of any right or remedy shall not constitute a waiver.

The Trust Indenture does not provide for any acceleration of maturity of the Bonds and Outstanding Contract Bonds or provide for the foreclosure upon any property or assets of the Master District or the Participants, other than applying the Pledged Revenues as defined in the Trust Indenture in the manner provided in the Trust Indenture.

The Trust Indenture imposes certain limitations on registered owners of Bonds to institute suits, actions or proceedings at law or in equity for the appointment of a receiver or other remedy unless and until the Trustee shall have received the written request of the registered owners of not less than 25% of all Bonds and Outstanding Contract Bonds and any additional bonds from time to time outstanding and secured by the Trust Indenture and the Trustee shall have refused or neglected to institute such suit, action or proceeding for a period of 10 days after having been furnished reasonable indemnity. Notwithstanding the foregoing, registered owners of more than 50% of the aggregate principal amount of the Bonds and Outstanding Contract Bonds and any additional bonds from time to time issued and outstanding shall have the right, by written instrument delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Trust Indenture.

Without the consent of the registered owners, the Master District and the Trustee may from time to time enter into one or more indentures supplemental to the Trust Indenture, which shall form a part of the Trust Indenture, for any one or more of the following purposes:

- (1) to cure any ambiguity, inconsistency or formal defect or omission in the Trust Indenture;
- (2) to grant to or confer upon the Trustee for the benefit of the registered owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the registered owners of the Bonds and Outstanding Contract Bonds or the Trustee or either of them;
- (3) to subject to the lien of the Trust Indenture additional revenues, properties or collateral;
- (4) to modify, amend or supplement the Trust Indenture or any supplemental indenture in such manner as to provide further assurances that interest on the Bonds and Outstanding Contract Bonds will, to the greatest extent legally possible, be excludable from gross income for federal income tax purposes;
- (5) to obtain bond insurance or a rating for the Bonds and Outstanding Contract Bonds;
- (6) to permit any unlimited contract tax bonds to be issued in book-entry-only form; and
- (7) to permit the assumption of the Master District's obligations under the Trust Indenture by any other entity that may become the legal successor to the Master District;

provided, however, that no provision in such supplemental indenture shall be inconsistent with the Trust Indenture or shall impair in any manner the rights of the registered owners.

Except as provided in the preceding paragraph, any modification, change or amendment of the Trust Indenture may be made only by a supplemental indenture adopted and executed by the Master District and the Trustee with the consent of not less than a majority of the aggregate principal amount of the Bonds and Outstanding Contract Bonds then outstanding. However, without the consent of the holders of each outstanding Bond, no modification, change or amendment to the Trust Indenture shall:

- (1) extend the time of payment of the principal thereof or interest thereon, or reduce the principal amount thereof or premium, if any, thereon, or the rate of interest thereon, or make the principal thereof or premium, if any, or interest thereon payable in any coin or currency other than that hereinbefore provided, or deprive such registered owner of the lien hereof on the revenues pledged under the Trust Indenture; or
- (2) change or amend the Trust Indenture to permit the creation of any lien on the revenues pledged hereunder equal or prior to the lien hereof, or reduce the aggregate principal amount of Bonds and Outstanding Contract Bonds. In addition, if no Event of Default exists under the Trust Indenture and the Master District is not in default under the Bond Resolution. The Master District may, upon 60 days written notice to the Trustee and the Owners of the Bonds and Outstanding Contract Bonds, discharge and remove the Trustee.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, signed by the owners of a majority in principal amount of the Bonds and Outstanding Contract Bonds then outstanding and delivered to the Trustee, with notice thereof given to the Master District.

The Trustee may at any time resign and be discharged from the trusts created by giving written notice to the Master District and by providing written notice to the owners of its intended resignation at least ninety (90) days in advance thereof. Such notice shall specify the date on which such resignation shall take effect and shall be sent by first-class mail, postage prepaid to each registered owner. Resignation by the Trustee shall not take effect unless and until a successor to such Trustee shall have been appointed.

In case the Trustee shall resign, or shall be removed or dissolved, or shall be in the course of dissolution or liquidation, or shall otherwise become incapable of acting, or in case the Trustee shall be taken under control of any public officer or officers or a receiver appointed by a court, a successor may be appointed by the registered owners of a majority in principal amount of the Bonds and outstanding Contract Bonds then outstanding, by an instrument or concurrent instruments in writing, signed by such owners or their duly authorized representatives delivered to the Trustee, with notice thereof given to the Master District; provided, however, that in any of the events above mentioned, the Master District may nevertheless appoint a temporary Trustee to fill such vacancy until a successor shall be appointed by the registered owners in the manner above provided, and any such temporary Trustee so appointed by the Master District shall immediately and without further act be automatically succeeded by the successor to the Trustee appointed by the registered owners. The Master District shall provide written notice to the registered owners of the appointment of any successor Trustee, whether temporary or permanent, in the manner provided in the Trust Indenture for providing notice of the resignation of the Trustee. Any successor Trustee or temporary Trustee shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Texas duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$150,000,000.

In the event that no appointment of a successor Trustee is made by the registered owners or by the Master District for a period of 90 days from the receipt of notice of such resignation and removal pursuant to the Trust Indenture, the registered owner of any Bond or the retiring Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice as it shall deem proper, if any, appoint a successor Trustee.

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the Master District and are not obligations of the State of Texas; Travis County, Texas; Austin, Texas; or any other political subdivision other than the Master District. The Bonds are payable solely from and to the extent of the Pledged Contract Payments and Pledged Revenues. The obligations of the Participants to make Pledged Contract Payments are several, not joint, obligations pro-rated among the Participants based upon a proportion of the assessed valuation of property within their respective boundaries to the assessed valuation of the Service Area. No Participant is obligated to pay the Pledged Contract Payments allocated to any other Participant. The security for payment of the principal of and interest on the Bonds, therefore, depends on the ability of each Participant to collect annual ad valorem taxes (without legal limit as to rate or amount) levied on taxable property within its boundaries sufficient to pay both debt service requirements on its direct unlimited tax bonds, if any, and to make its Pledged Contract Payments. Taxes collected by each Participant are allocated between Pledged Contract Payments which are the source of payment of the Bonds and Outstanding Contract Bonds and other ad valorem taxes levied by such Participant without priority of taxes levied for one purpose over taxes levied for any other purpose. The collection by each Participant of delinquent taxes owed to it and the enforcement by registered owners of the Participant's obligation to collect sufficient taxes, if required, may be a costly and lengthy process. Furthermore, the Master District and Participants cannot and do not make any representations that continued development of taxable property within the Service Area will accumulate or maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property, if such property is foreclosed upon by a Participant for non-payment of taxes. See "Registered Owners' Remedies" below and "THE BONDS -Source of and Security for Payment."

Infectious Disease Outbreak (COVID-19)

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States in connection with COVID-19. On March 13, 2020, the President of the United States declared the Pandemic a national emergency and the Texas Governor (the "Governor") declared COVID-19 an imminent threat of disaster for all counties in Texas (collectively, the "disaster declarations"). On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State of Texas.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation, which among other things, imposed

limitations on social gatherings and other activities. The Governor has suspended various statutes of the Texas Open Meetings Act that require government officials and members of the public to be physically present at a specified meeting location. This temporary suspension will allow for telephonic or videoconferencing meetings of governmental bodies that are accessible to the public in an effort to reduce in-person meetings that assemble larger groups of people. Many of the federal, state, and local actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affect economic growth within Texas. Homebuilding activity and the construction of utility facilities within the Master District are not prohibited. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

The Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas. Additionally, Barton Creek Resort and Clubs Inc., the largest taxpayer in the Service Area, is concentrated in the hospitality industry, which has been particularly susceptible to market downturns related to the COVID-19 Pandemic. See “BARTON CREEK RESORT, LLC.” While any potential impact of COVID-19 upon the Master District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the Master District's operations and financial condition or its rating by impacting property tax values, the collection of ad valorem taxes, and homebuilding activity within the Master District including delays in obtaining construction permits for development.

The Bonds are secured by an unlimited ad valorem tax, and any material reduction in property values may require an increase in the ad valorem tax rate required to pay debt service on the Bonds as well as the Master District's share of operations and maintenance expenses payable from ad valorem taxes.

The financial and operating data contained herein are the latest available but are largely as of dates and for periods largely prior to the economic impact of the Pandemic and measures instituted to slow the Pandemic. Accordingly, they are not indicative of the economic impact of the Pandemic on the Master District's financial condition or its rating. For more information regarding the Master District's current fund balances, see “COMPOSITE FINANCIAL STATEMENT – TABLE 4” and “– Current Investments.”

No Certainty of a Secondary Market

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market in the Bonds. There is presently no secondary market for the Bonds and no assurance that a secondary market for the Bonds will develop or, if developed, will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

Factors Affecting Taxable Values and Tax Payments

Economic Factors and Interest Rates: A substantial percentage of the taxable value of the Service Area results from the current market value of single-family residences presently located in the Service Area and from the market value of developed lots and condominium units which currently exist or are being developed by Stratus Properties (the “Developer”) for sale to homebuilders and individuals for the construction of residences. The market value of such homes, lots and condominium units is related to general economic conditions affecting the demand for and taxable value of residences. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the prosperity and demographic characteristics of the urban center toward which the marketing of homes, lots, and condominium units is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the Service Area or could adversely impact such values.

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 and homebuilders are able to obtain financing for development and construction costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete development and construction activities within the Service Area. Because of the numerous and changing factors affecting the availability of funds, the Master District is unable to assess the future availability of such funds for continued development and construction within the Service Area. In addition, although located approximately eight (8) miles from the central downtown business district of the City of Austin, the success of development within the Service Area and growth of Service Area taxable property values are, to a great extent, a function of the Austin metropolitan area and regional economics.

Competition: The demand for and construction of single-family homes in the Service Area could be affected by competition from other residential developments including other residential developments located in other utility districts or developments located near the Service Area, many of which have a more mature development status. In addition to competition for new home sales from other developments, there are numerous previously owned homes in more established neighborhoods closer to downtown Austin that are for sale. Such homes could represent additional competition for new homes proposed to be sold within the Service Area.

The composite tax rate for the Participants may be higher than that of many competing subdivisions, and such higher tax rates could adversely affect future development within the Service Area and the requisite growth of property tax values in the Service Area. Also, lot

prices currently charged by the Developer with respect to certain subdivisions in the Service Area may be higher than in competing area subdivisions, and such lot prices may adversely affect home building activities in parts of the Service Area.

The competitive position of the Developer in the sale of developed lots and condominium units and of prospective builders in the construction of single-family residential houses within the Service Area, as well as the position of homeowners in reselling homes, is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the Service Area and tax revenues to be received by the Participants. The Master District can give no assurance that building and marketing programs in the Service Area by the Developer will be implemented or, if implemented, will be successful.

Developer Under No Obligation to the Master District: There are no commitments from or obligations of the Developer or any other landowners within the Service Area to develop their property at any particular rate or according to any specified plan, and there is no restriction on any landowner's right to sell all or any portion of its land. Failure to construct taxable improvements on developed lots and failure of landowners to develop their land would restrict the rate of growth of taxable value in the Service Area. The Master District is also dependent upon the Developer and the other principal landowners for the timely payment of the annual ad valorem tax levied by each Participant for the purpose of paying debt service on the Bonds (the "Contract Tax"), and the Master District cannot predict what the future financial condition of the Developer will be, or what effect, if any, the conditions described herein may have on their ability to pay taxes. See "THE DEVELOPER" and "TAX DATA – Principal Taxpayers – Table 7."

Dependence Upon the Developer, Lot Owners and Builders: The growth of the tax base is dependent upon additional development of lots in the Service Area and the construction of homes thereon. The Developer is under no obligation to continue to market, or improve, or to develop tracts of land. Thus, the furnishing of information related to the proposed development by the Developer should not be interpreted as such a commitment by the Developer. The Master District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developer, or any other subsequent landowner to whom such party may sell all or a portion of its holdings within the Service Area, to implement any plan of development. Furthermore, there is no restriction on the Developer's right to sell its land. The Master District can make no prediction as to the effects that current or future economic or governmental circumstances or regulations may have on any plans of the Developer. Failure to construct taxable improvements on developed lots and tracts or failure of the Developer to develop their land would restrict the rate of growth of taxable value in the Service Area. See "PARTICIPANTS IN CURRENT SERVICE AREA - Status of Development," and "THE DEVELOPER."

Regulatory Constraints: The Master District together with the other Participants is part of an approximately 3,520 acre master planned community. To the extent the remainder of acreage located within the Participants does not develop due to economic or other factors, including, without limitation, implementation of City and other governmental land use, water quality and other regulatory restrictions, such lack of development may have an adverse impact on the assessed valuation and tax rate within the Master District.

According to representatives of Stratus Properties, it has obtained all of the environmental permits required by current laws and regulations to develop its property within the Participants in the manner currently planned. Notwithstanding Stratus Properties obtaining such permits, the Participants are located in an area considered to be environmentally sensitive and environmental regulations are subject to frequent changes. It is located within the contributory zone of the Edwards Aquifer, and the area in which the Participants are situated is known to provide habitat for certain rare and endangered species of wildlife and plants. The area, therefore, has at various times been subject to ordinances, laws, rules, and regulations including particularly those relating to water quality, that restrict the amount and nature, and increase the cost of, land development in the region. Regulatory entities such as the TCEQ, U. S. Environmental Protection Agency, U.S. Fish and Wildlife Service, and private environmental and special interest groups have historically and may in the future seek to impose development restrictions that could affect the taxable value of land within the Participants. See "INVESTMENT CONSIDERATIONS – Certain Development Regulations." Travis County, including areas within and in the vicinity of the Participants, is known to contain habitat of a number of species listed as endangered or threatened under the Endangered Species Act, including the salamander, golden cheeked warbler, the blackcapped vireo, numerous species of cave or karst dwelling invertebrates, and certain species of plant, including the canyon mock orange and the bracted twist flower. Some of these species and/or their habitat may occur within the Participants. In addition, the Participants may contain or affect the habitat of species yet to be listed, but perhaps suitable for listing. The presence of endangered species or their habitat or potential impact on off-site habitat can significantly and adversely affect the value or usability of property. The Endangered Species Act and the regulations promulgated thereunder may prohibit the destruction or adverse modification of habitat without acquiring an appropriate permit.

Impact on Contract Tax Rates: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the Service Area will be the major determinant of the ability or willingness of the property owners within each Participant to pay their taxes. The aggregate 2020 Certified Assessed Valuation of the Service Area is \$1,503,871,728. After issuance of the Bonds, the Maximum Requirement will be \$5,711,896 (2035) and the Average Requirement will be \$4,982,121 (2021 through 2043, inclusive). Assuming (1) no increase or decrease from the 2020 Certified Assessed Valuation, and (2) no use of funds on hand, a Pledged Contract Tax rate of \$0.40 per \$100 assessed valuation at a 95% collection rate would be necessary to pay each Participant's pro rata share of the Maximum Requirement of \$5,700,126 and a Pledged Contract Tax rate of \$0.35 per \$100 assessed valuation at a 95% collection rate would be necessary to pay each Participant's pro rata share of the Average Requirement of \$4,970,860. The aggregate 2021 Preliminary Assessed Valuation of the Service Area is \$1,687,104,270. Based upon the assumptions above, Pledged Contract Tax rates of \$0.36 and \$0.32 per \$100 assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the Maximum Requirement and the Average Requirement,

respectively. See "COMPOSITE FINANCIAL STATEMENT," "DEBT SERVICE REQUIREMENTS – TABLE 3" and "TAX DATA - Tax Adequacy for Debt Service."

The Master District 2020 Pledged Contract Tax for debt service levied by each Participant was \$0.35 per \$100 of assessed valuation. In order for the Participants to maintain their Pledged Contract Tax rates and meet the debt service payments on the Bonds and the Outstanding Contract Bonds, the property tax base in the Service Area must increase rapidly over the next several years. The Master District anticipates that future increases in taxable values of the Service Area will enable it to meet debt service requirements on the Bonds and the Outstanding Contract Bonds without increasing the Pledged Contract Tax above the rates levied in 2020; however, the Master District can make no representation that the taxable property values in the Service Area will increase in the future or will maintain a value sufficient to support the aforementioned Pledged Contract Tax or to justify continued payment of taxes by property owners. See "COMPOSITE FINANCIAL STATEMENT," "TAX DATA - Tax Adequacy for Debt Service," and "APPENDIX A – Certain Financial Information Regarding the Participants."

The Service Area property owners are or will be responsible for the payment of ad valorem taxes levied by each Participant to pay its bonds previously issued or to be issued in the future. See "APPENDIX A" for a listing of outstanding debt of the Participants. Maintenance of each Participant's tax rate will be contingent upon the continued growth within the boundaries of each Participant and within the Service Area. Otherwise, an increase in the tax rate levied to pay the Participant's direct unlimited tax bonds would be necessary to service debt. Absent adequate future growth, the composite tax rate applicable to the Participants could become so high as to adversely affect development in the Service Area, and to jeopardize the ability of the Participants, including the Master District, to levy and collect taxes necessary to meet debt service requirements on outstanding indebtedness, including the Bonds.

In addition, property located within the Service Area is subject to taxation by various other governmental entities. The aggregate amount of taxes imposed by such entities could materially affect development and the sale of homes in the Service Area. See "TAX DATA - Overlapping Taxes for 2020."

Overlapping and Combined Tax Rates

The combined tax rate projections for the Participants reflect a composite tax rate of any Participant including a Participant's debt service and/or maintenance taxes and the Pledged Contract Tax. The tax rate that may be required to service debt on any bonds issued by a Participant is subject to numerous uncertainties such as the growth of taxable values within the boundaries of each Participant, the amount of direct unlimited tax bonds issued by each Participant, regulatory approvals, construction costs and interest rates. There can be no assurances that composite tax rates imposed by overlapping jurisdictions on property situated in the Service Area will be competitive with the tax rates of competing projects in the Austin metropolitan area. To the extent that such composite tax rates are not competitive with competing developments the growth of property tax values in the Service Area and the investment quality or security of the Bonds could be adversely affected. The combined 2020 tax levies of each Participant (including the Pledged Contract Tax) was \$0.4695 per \$100 Assessed Valuation for Travis County Municipal Utility District No. 3, \$0.7296 per \$100 Assessed Valuation for Travis County Municipal Utility District No. 4, \$0.5790 per \$100 Assessed Valuation for Travis County Municipal Utility District No. 5, \$0.4646 per \$100 Assessed Valuation for Travis County Municipal Utility District No. 6, \$0.9089 per \$100 Assessed Valuation for Travis County Municipal Utility District No. 7, \$0.6300 per \$100 Assessed Valuation for Travis County Municipal Utility District No. 8, and \$0.8275 per \$100 Assessed Valuation for Travis County Municipal Utility District No. 9. Such a combined tax levy is higher than the tax levy of many municipal utility districts in the Austin metropolitan area, although such a combined levy is within the range of levies imposed for similar purposes by certain municipal utility districts in the Austin metropolitan area in stages of development comparable to the Service Area.

The current TCEQ rules regarding the feasibility of a bond issue for a utility district in Travis County limit the projected combined total tax rate of entities levying a tax for water, wastewater, and drainage to \$1.20. The total combined tax rate for the Participants includes each Participant's projected tax rate including the Pledged Contract Tax. The projections for the Participants are consistent with the rules of the TCEQ. If the total combined tax rate of the Participants should ever exceed \$1.20, the Participant exceeding \$1.20 and the Master District could be prohibited under rules of the TCEQ from selling additional bonds. See "INVESTMENT CONSIDERATIONS – Factors Affecting Taxable Values and Tax Payments - *Impact on Contract Tax Rates*" above.

The Master District and each Participant may each independently issue additional debt which may change the projected and actual tax rates in the future, which changes may adversely affect future growth and which could affect the ability of each to issue future debt.

Water, Wastewater and Water Quality

Each Participant is further obligated to pay monthly charges to the Master District for water, wastewater and water quality services rendered pursuant to the Master District Contract. The monthly charges to be paid by each Participant to the Master District will be used to pay each Participant's share of operation and maintenance expenses and to provide for an operation and maintenance reserve equivalent to three months of operation and maintenance expenses. Each Participant's share of operation and maintenance expenses and reserve requirements is based upon a combination of actual usage and a "unit cost" of operation and maintenance expense and reserve requirements calculated by the Master District and expressed in terms of "cost per equivalent single-family residential connection." Each Participant's monthly payment to the Master District for operation and maintenance will be calculated by multiplying the number of equivalent single-family residential connections reserved to each Participant on the first day of the previous month for each of such services by the unit cost per equivalent

single-family residential connection. See "MASTER DISTRICT FACILITIES - Operations."

Undeveloped Acreage

There are approximately 3,282 developable acres of land within the Service Area, of which 819 have not been provided with internal water distribution, wastewater collection and/or storm drainage facilities, including water quality facilities, necessary to the construction of taxable improvements. There are about 2,463 acres of land within the Service Area which have been provided with Master Facilities for water distribution, wastewater collection and/or storm drainage facilities, including water quality facilities. The Master District makes no representation as to when or if such development will occur. See "PARTICIPANTS IN CURRENT SERVICE AREA - Status of Development."

Demand for and Fluctuation of Assessed Valuation of Certain Housing Products

As reflected in "THE DEVELOPER – Description of Developer" herein, the housing product completed and currently planned for portions of the Service Area consists of single family and detached condominium units/patio homes with anticipated prices ranging from \$600,000 to over \$14,000,000. Due to the price ranges of the housing currently under construction and planned within the Service Area, the demand and fluctuation of assessed valuation for such housing product may be more adversely affected by economic conditions than other lower cost housing products within the Austin area. Due to the higher than normal average home values within the Service Area, there is a greater likelihood that homeowners will annually challenge TCAD's appraisals.

Effects of Master Planned Community/Regulatory Constraints

The Developer has represented that it intends to sell developed lots and condominiums to individuals, homebuilders, condominium developers, apartment developers or office/retail developers in the Service Area, but may construct single family residences, multi-family developments and commercial developments on a selected basis. See "PARTICIPANTS IN CURRENT SERVICE AREA - Status of Development," "THE BARTON CREEK DEVELOPMENT," and "THE DEVELOPER." However, the Developer has no legal obligation to the Master District to carry out its current plans or any other plans of development within the Service Area. Furthermore, there is no restriction on the Developer or other landowners selling their land. The Master District can make no prediction as to the effects that inflation, interest rates, a depressed economy, falling energy prices, potential transportation problems, flooding, environmental or other government regulations, or other factors, whether economic, governmental, or otherwise, may have on the plans of the Developer. See "Factors Affecting Taxable Values and Tax Payments" above.

Neither the Developer nor any subsidiaries, if any, are obligated to pay principal of and interest on the Bonds. See "THE DEVELOPER." Furthermore, the Developer has no binding commitment to the Master District or to the Participants to carry out any plans of development in the Service Area, and the furnishing of information related to proposed development by a developer should not be interpreted as such a commitment.

Dependence on Principal Taxpayers

Approximately 23.83% (\$358,400,211) of the 2020 certified taxable property value of the property within the Service Area is owned by Barton Creek Resort and Clubs Inc., Santal I LLC, Barton Creek Villas LLC, Stratus Properties Operating, Owner's Club at Barton Creek LP, Barton Creek Office Partners, LP, and four individual homeowners. Additionally, Barton Creek Resort and Clubs Inc., the largest taxpayer in the Service Area, is concentrated in the hospitality industry, which has been particularly susceptible to market downturns related to the COVID-19 Pandemic. In the event that such taxpayers, or any other principal taxpayer or developer should default in the payment of taxes in an amount which exceeds the Master District's debt service fund surplus, the ability of the Master District to make timely payment of debt service on the Bonds will be dependent on its ability and the ability of each Participant to collect taxes (including the Pledged Contract Tax) from such delinquent taxpayer and other taxpayers within the Service Area. Failure to recover or borrow funds in a timely fashion could result in an increase in the Pledged Contract Tax rate. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak – (COVID-19)," "BARTON CREEK RESORT, LLC," "THE DEVELOPER," "TAX DATA – Principal Taxpayers – Table 7" and "TAXING PROCEDURES –Rights in the Event of Tax Delinquencies."

Tax Collections Limitations and Foreclosure Remedies

The Master District's ability to make debt service payments may be adversely affected by each Participant's inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the Participants constitutes a lien in favor of each Participant on a parity with the liens of all other local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. A Participant's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming, and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, or (c) market conditions affecting the marketability of taxable property within the Participant's boundaries and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the boundaries of a Participant available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see "TAX DATA - Overlapping Taxes for 2020"), by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayer's right to redeem property). Finally, any bankruptcy

court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within a Participant's boundaries pursuant to the Federal Bankruptcy Code could stay any attempt by such Participant to collect delinquent ad valorem taxes assessed against such taxpayer.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of registered owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Participants and the Master District. Subject to the requirements of Texas law discussed below, a political subdivision such as the Participants and the Master District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of registered owners' remedies, including mandamus. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismissed 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 Participants and the Master District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is specifically 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 negotiations are impracticable. Under Texas law, a municipal utility district, such as the Participants and the Master 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.

Notwithstanding noncompliance by the Participants and the Master District with Texas law requirements, the Participants and the Master District could file a voluntary bankruptcy petition under Chapter 9, thereby involving the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be applicable, the concomitant delay and loss of remedies to the registered owners could potentially and adversely impair the value of the registered owner's claim.

If the Participants and the Master District were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, they 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 a registered owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the registered owner's claim against the Participants and the Master District.

Bond Insurance Risks

The Master District has qualified for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds, and will use a portion of the proceeds of the Bonds to purchase the bond insurance. The risk factors relating to the purchase of bond insurance are listed below.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the issuer which is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the Issuer unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim-paying ability. The Bond 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 Bond Insurer and of the ratings on the Bonds insured by the Bond 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 RATINGS" and "BOND INSURANCE" herein.

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

Neither the Master District nor the Underwriter has made independent investigation into the claims-paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Master District to pay principal and interest on the Bonds and the claims-paying ability of the Bond Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

The Effect of the Financial Institutions Act of 1989 on Tax Collections of the Master District

The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA"), enacted on August 9, 1989, contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens, and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties or fines, including those arising from the failure to pay any real or personal property tax when due and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

There has been little judicial determination of the validity of the provisions of FIRREA or how they are to be construed and reconciled with respect to conflicting state laws. However, certain recent federal court decisions have held that the FDIC is not liable for statutory penalties and interest authorized by State property tax law, and that although a lien for taxes may exist against real property, such lien may not be foreclosed without the consent of the FDIC, and no liens for penalties, fines, interest, attorney's fees, costs of abstract and research fees exist against the real property for the failure of the FDIC or a prior property owner to pay ad valorem taxes when due. It is also not known whether the FDIC will attempt to claim the FIRREA exemptions as to the time for contesting valuations and tax assessments made prior to and after the enactment of FIRREA. Accordingly, to the extent that the FIRREA provisions are valid and applicable to any property in a Participant or the Master District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in a Participants or the Master District, and may prevent the collection of penalties and interest on such taxes.

Marketability

The Master District has no understanding 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 for 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 more generally bought, sold, or traded in the secondary market.

Continuing Compliance with Certain Covenants

Failure of the Master District to comply with certain covenants contained in the Bond Resolution on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "TAX MATTERS."

Future Debt

Pursuant to the Master District Contract, the Master District may sell unlimited contract tax bonds in an amount necessary to provide the facilities intended to be provided by the Master District on a parity with the Bonds. The Master District anticipates that it will continue to issue unlimited contract tax bonds in installments over the next several years.

Any future issues of bonds are intended to be sold at the earliest practicable date consistent with the maintenance of a reasonable tax rate in the Service Area (assuming projected increases in the value of taxable property made at the time of issuance of bonds are accurate). The Master District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds is subject to approval by the TCEQ pursuant to its rules regarding issuance and

feasibility of bonds. See "INVESTMENT CONSIDERATIONS – Factors Affecting Taxable Values and Tax Payments - *Impact on Contract Tax Rates*" above and "THE BONDS – Issuance of Additional Bonds."

The Master District has the right to issue obligations other than the Bonds, including unlimited tax bonds for the purpose of financing internal water, wastewater and storm drainage facilities within its boundaries, tax anticipation notes and bond anticipation notes, and to borrow for any valid corporate purpose. As a Participant, the voters of the district have authorized the issuance of \$8,850,000 principal amount of unlimited tax bonds, of which \$6,915,000 remains authorized but unissued.

Certain Development Regulations

Property within the Master District and the Participants was originally included in a Water Quality Protection Zone (the "Zone") pursuant to the provisions of Section 26.179 of the Texas Water Code. The purpose of the Zone was to authorize development in accordance with a water quality plan filed by the property owner and approved by the TCEQ. On January 9, 1998, the City of Austin filed a petition in the 345th Judicial District Court in Travis County, Texas (City of Austin v. Horse Thief Ranch et al) to declare unconstitutional and void Section 26.179 of the Texas Water Code and ten (10) water quality zones including the Zone. On June 15, 2000, the Texas Supreme Court in a 6-3 decision affirmed the trial court's decision that Section 26.179 of the Texas Water Code is unconstitutional.

Since the Texas Supreme Court's ruling, any development within the Master District and the other Participants has complied with City of Austin development/water quality ordinances which generally limit the amount of impervious cover. Compliance with the City of Austin development/water quality ordinance will likely result in a less dense development than otherwise allowed under the water quality plan of the Zone and, depending upon market and economic conditions, could adversely affect the ultimate assessed valuation within the Service Area. Additionally, the processing of development plans and plats for the Participants through the City of Austin, without benefit of the Zone, may result in some delay in development approvals.

No Requirement to Build on Developed Lots

There is currently no requirement that individuals or other purchasers of developed lots within the Master District or the other Participants commence or complete construction of improvements within any particular time period. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable value in the Master District and the other Participants.

Environmental Regulation

General. 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:

1. Requiring permits for construction and operation of water supply wells and wastewater treatment facilities;
2. Restricting the manner in which wastes are released into the air, water, or soils;
3. Restricting or regulating the use of wetlands or other property;
4. Requiring remedial action to prevent or mitigate pollution;
5. Imposing substantial liabilities for pollution resulting from facility operations.

Compliance with environmental laws and regulations can increase the cost of planning, designing, constructing, and operating water production and wastewater treatment facilities. Sanctions against a water 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 as to future compliance of and the ability to operate the Master District's water supply, wastewater treatment, and drainage facilities. Environmental laws and regulations can also impact an area's ability to grow and develop. The following is a discussion of certain environmental concerns that relate to the Master District. It should be noted that changes in environmental laws and regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the Master District.

Air Quality Issues. The Federal Clean Air Act ("CAA") requires the United States Environmental Protection Agency (the "EPA") to adopt and periodically revise national ambient air quality standards ("NAAQS") for each air pollutant that may reasonably be anticipated to endanger public health or welfare. Areas that exceed the NAAQS for a given pollutant can be designated as nonattainment by the EPA. A nonattainment designation then triggers a process by which the affected state must develop and implement a plan to improve air quality and "attain" compliance with the appropriate standard. This so called State Implementation Plan ("SIP") entails enforceable control measures and time frames.

In 1997, the EPA adopted the "8-hour" ozone standard of 80 parts per billion ("ppb") (the "1997 Ozone Standard") to protect public health and welfare. In 2008, the EPA lowered the ozone standard to 75 ppb (the "2008 Ozone Standard"). The Austin area, consisting of Travis, Hays, Williamson, Bastrop, and Caldwell Counties (the "Austin Area") was not designated "nonattainment" under the 2008 Ozone Standard.

On October 1, 2015, the EPA lowered the ozone standard to 70 ppb (the “2015 Ozone Standard”). On May 1, 2018, the EPA designated the Austin Area as “attainment” under the 2015 Ozone Standards, which became effective on August 3, 2018.

Should the Austin Area fail to achieve attainment under EPA NAAQS, or should the Austin Area fail to satisfy a then effective SIP (for nonattainment or otherwise), or for any other reason should a lapse in conformity with the CAA occur, the Austin Area may be subjected to sanctions pursuant to the CAA. Under such circumstances, the TCEQ would be required under the CAA to submit to the EPA a new SIP under the CAA for the Austin Area. Due to the complexity of the nonattainment/conformity analysis, the status of EPA’s implementation of any future EPA NAAQS and the incomplete information surrounding any SIP requirements for areas designated nonattainment under any future EPA NAAQS, the exact nature of sanctions or any potential SIP that may be applicable to the Austin Area in the future is uncertain. The CAA provides for mandatory sanctions, including the suspension of federal highway funding, should the State fail to submit a proper SIP, or associated submissions, or fail to revise or implement a SIP, or fail to comply with an existing SIP. Subject to certain exceptions, if the Austin Area falls out of conformity and the mandatory highway funding suspension sanction is implemented, the United States Secretary of Transportation may be prohibited from approving or awarding transportation projects or grants within the area.

It is possible that nonattainment, a lapse in conformity under the CAA, litigation involving injunctive or other relief, or other environmental issues may impact new industrial, commercial, and residential development in the Austin Area.

Water Supply & Discharge Issues. Water supply and discharge regulations that the Master District may be required to comply with involve: (1) public water supply systems, (2) wastewater discharges from treatment facilities, (3) storm water discharges, and (4) wetlands dredge and fill activities. Each of these is addressed below:

Pursuant to the federal Safe Drinking Water Act (“SDWA”) and Environmental Protection Agency’s National Primary Drinking Water Regulations (“NPDWRs”), which are implemented by the TCEQ’s Water Supply Division, a municipal utility district’s provision of water for human consumption is subject to extensive regulation as a public water system.

Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency’s rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future.

Texas Pollutant Discharge Elimination System (“TPDES”) permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000), with an effective date of March 5, 2018, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain nonstormwater discharges into surface water in the state. It 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.

In 2015, the EPA and USACE promulgated a rule known as the Clean Water Rule (“CWR”) aimed at redefining “waters of the United States” over which the EPA and USACE have jurisdiction under the CWA. The CWR significantly expanded the scope of the federal government’s CWA jurisdiction over intrastate water bodies and wetlands.

On September 12, 2019, the EPA and USACE finalized a rule repealing the CWR, thus reinstating the regulatory text that existed prior to the adoption of the CWR. This repeal became final on December 23, 2019.

On January 23, 2020, the EPA and USACE released the Navigable Waters Protection Rule (“NWPR”), which contains a new definition of “waters of the United States.” The stated purpose of the NWPR is to restore and maintain the integrity of the nation’s waters by maintaining federal authority over the waters Congress has determined should be regulated by the federal government, while preserving the states’ primary authority over land and water resources. The definition outlines four categories of waters that are considered “waters of the United States,” and thus federally regulated under the CWA: (i) territorial seas and traditional navigable waters; (ii) perennial and intermittent tributaries to traditional seas and traditional navigable waters; (iii) certain lakes, ponds, and impoundments of jurisdictional waters; and (iv) wetlands adjacent to jurisdictional waters. The new rule also identifies certain specific categories that are not “waters of the United States,” and therefore not federally regulated under the CWA: (a) groundwater; (b) ephemeral features that flow only in direct response to precipitation; (c) diffuse stormwater runoff and directional sheet flow over upland; (d) certain ditches; (e) prior converted cropland; (f) certain artificially irrigated areas; (g) certain artificial lakes and ponds; (h) certain waterfilled depressions and certain pits; (i) certain stormwater control features; (j) certain groundwater recharge, water reuse, and wastewater recycling structures; and (k) waste treatment systems. The NWPR became effective on June 22, 2020, and is currently the subject of ongoing litigation.

Operations of the Master District are also potentially subject to stormwater discharge permitting requirements as set forth under the Clean Water Act and regulations implementing the Clean Water Act. The TCEQ adopted, by reference, the vast majority of the EPA regulations relating to stormwater discharges and currently has issued a general permit for stormwater discharges associated with industrial activities and

proposed two general permits for stormwater discharges associated with construction activities and municipal separate stormwater systems. Pursuant to the Clean Water Act and EPA regulations, the Master District is defined as a MS4 (Municipal Separate Storm Sewer System) as it is located in an urbanized area as defined by the EPA. Travis County Municipal Utility District No. 4, as a Participant, does not have a population of 1,000 or more people and has, therefore, applied for an exemption to the requirement that it obtain coverage under the permit. Travis County Municipal Utility District No. 4 anticipates receiving an exemption. However, should Travis County Municipal Utility District No. 4 not be exempted from the permitting requirements, the Master District must develop a stormwater management program (the "Stormwater Management Program"). The Stormwater Management Program must include certain minimum control measures as outlined in the Permit. These include pollution prevention and good housekeeping for facility operations, construction site runoff controls, post construction control measures, illicit discharge detection and elimination, and public education. For each minimum control measure, the Master District must utilize one or more best-management practices to achieve minimal compliance as outlined in the permit. Once the Master District has obtained TCEQ approval of the Stormwater Management Program and coverage under the permit, the Master District must report progress under the permit annually to TCEQ. The Master District could incur substantial costs to implement the Stormwater Management Program as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. Failure to comply with these requirements may result in the imposition of administrative, civil, and criminal penalties as well as injunctive relief under the Clean Water Act or the Texas Water Code.

Operations of the Master District are also potentially subject to requirements and restrictions under the Clean Water Act regarding the use and alteration of wetland areas that are within the "waters of the United States." The Master District must obtain a permit from the U.S. Army Corps of Engineers if operations of the Master District require that wetlands be filled, dredged, or otherwise altered.

Future and Proposed Tax Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

State Legislative Issues

The State Legislature, operating under the biennial system, convenes its regular session at noon on the second Tuesday in January of odd-numbered years. The maximum duration of a regular session is 140 days. The 87th regular session convened on January 12, 2021 and will conclude on May 31, 2021. Under the Texas Constitution, the Governor has the authority to call additional special sessions of the State Legislature at any time, each for a duration of no more than thirty days, to address only those subjects designated by the Governor. While in session, the State Legislature may consider bills which could have a direct impact on the Master District. The Master District makes no representations or predictions with respect to whether the Governor will exercise his authority under the Texas Constitution to call additional special sessions of the State Legislature or concerning the substance or effect of any legislation that may be proposed and ultimately passed while the State Legislature is in session.

Drought Conditions

Central Texas, like other areas of the State, is susceptible to drought conditions. The Master District adopted a water conservation plan that provides for the implementation of water restrictions for residents of the Master District and the Participants. The LCRA provides water to the Master District in amounts sufficient to service the residents of the Master District and other Participants. However, if drought conditions occur, water usage and rates could be impacted.

Storm Water

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Participation-Frequency Atlas of the United States ("Atlas 14"). The study shows that Central Texas is more likely to experience larger storms than previously thought. Based on this study, various governmental entities in the Central Texas area are contemplating amendments to their regulations that will potentially increase the size of the 100-year flood plain which interim flood plain is based on the current 500-year flood plain, resulting in the interim flood plain 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 flood plain). Floodplain boundaries within the Master District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the Master District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided by the Master District, that are not purely historical, are forward-looking statements, including statements regarding the Master District's expectations, hopes, intentions, or strategies regarding the future.

Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Master District on the date hereof, and the Master District assumes no obligation to update any such forward-looking statements.

The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic competition, market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

THE BARTON CREEK DEVELOPMENT

The Barton Creek development encompasses approximately 4,157 acres located in western Travis County, Texas, including (i) approximately 3,520 acres located within the boundaries of the Participants, (ii) approximately 305 acres located within Travis County Water Control & Improvement District No. 19 ("WCID 19"), and (iii) approximately 332 acres located outside the boundaries of any municipal utility district, but located within the service area of the Barton Creek Water Supply Corporation (collectively, the "Barton Creek Development").

Development of the Barton Creek Development began in the mid-1980s when the then-developer initiated development within WCID 19, the service area of the Barton Creek Water Supply Corporation and what is now the boundaries of the Master District. Initial development within the Barton Creek Development included construction of the water supply and sewage treatment facilities serving the development, various single-family home lots and the Barton Creek Resort and Spa. Such development was halted shortly after initiation.

Between 1988 and 1990, Stratus Properties' predecessors-in interest acquired a significant portion of the Barton Creek Development, including existing unimproved lots, undeveloped land, the water supply and sewage treatment facilities and the Barton Creek Resort and Spa. Development within WCID 19 was reinstituted in 1990. Development within the Participants was reinstituted in 1996.

The Barton Creek Development is a master planned community currently designed to contain single family, multi-family, condominium, commercial, office, retail and recreational development and related uses. As of March 1, 2021 residential development within the Participants included 552 completed single family homes, 40 single family homes under construction, 25 single family lots that are vacant, 208 completed detached condominium patio homes, 2 detached condominium patio homes under construction, 22 detached condominium patio home vacant lots, one 216 unit apartment complex, and one 448 unit apartment complex; additional development includes a senior living center, commercial, retail and office development.

Development within Travis County Municipal Utility District No. 3 includes 806 acres of single-family residential subdivisions and a 216 unit multi-family complex known as the Barton Creek Villas apartment complex that includes a clubhouse, fitness center, and pool area on 24.53 acres. Vacant lots are being marketed to various custom homebuilders and individuals with housing products to exceed \$1,000,000 in purchase price. Additional development within Travis County Municipal Utility District No. 3 includes the Querencia senior living facility discussed below, a private school constructed on 31.35 acres, and approximately 11,000 square feet of retail space and 15,000 square feet of office space constructed on approximately 8 acres.

Within Travis County Municipal Utility District No. 5, 218 residential lots have been developed on 384.41 acres, including Calera Court, Calera Drive, Amarra Drive, Phase 1, Amarra Drive, Phase 2, Amarra Drive Phase 3A, Amarra Drive Phase 3B and Block G (Villas at Amarra). Vacant lots are being marketed to various custom homebuilders and individuals with housing products to exceed \$1,000,000 in purchase price. Additionally, an 18-hole golf course is located within the boundaries of Travis County Municipal Utility District No. 5, as well as a 21 acre commercial site.

Within Travis County Municipal Utility District No. 6, the Escala Subdivision has been developed as 65 residential lots on 264.62 acres. Lots are being sold to individuals and custom homebuilders. Residences in Escala range from 3,600 to over 30,000 square feet with a sale price ranging from \$1,600,000 to \$9,000,000.

Within Travis County Municipal Utility District No. 8, the Mirador Subdivision has been developed as 34 residential lots on 186 acres. Lots are being sold to individuals and custom homebuilders. Residences in Mirador range from 3,400 to 7,000 square feet with a sale price ranging from \$1,500,000 to \$7,000,000. An affiliate of Stratus Properties constructed the Santal Apartments, a 448 unit multi-family complex, on

approximately 35 acres.

In September 2005, Barton Creek Senior Living Community, Inc. ("BCSLC"), a Texas nonprofit corporation, purchased approximately 38 acres from Stratus Properties to construct Querencia at Barton Creek ("Querencia"), a continuing care retirement community. Also in September 2005, the Travis County Health Facilities Development Corporation issued tax-exempt bonds in the amount of \$111,570,000 on behalf of BCSLC to construct and equip Querencia. Querencia opened in June 2007, is located within Travis County Municipal Utility District No. 3, and is managed by Senior Quality Lifestyles Corporation ("SQLC"), a Texas nonprofit corporation. According to SQLC, Querencia is comprised of 167 Independent Living apartments and villas, 40 Assisted Living suites and 23 Memory Support Assisted Living suites and a nursing facility with 42 health center beds.

BCSLC applied for and was granted a charitable organization tax-exemption, although there is a restrictive covenant that runs with the land that waives BCSLC's right to claim any tax exemption for Travis Co. MUD No. 3 until September 2035. Due to this, the Travis Central Appraisal District ("TCAD") removed Querencia from the tax rolls in the years 2015 through 2020. The 2020 assessed value of Querencia is equal to 8.78% of the total assessed value of Travis County MUD No. 3 and 4.21% of the total assessed value of the Service Area. BCSLC has made payments to Travis County MUD No. 3 in amounts equal to the 2015, 2016, 2017, 2018, 2019 and 2020 taxes owed. Effective June 18, 2018, through 2036, BCSLC and the Master District have entered into a Payment in Lieu of Taxes Agreement ("PILOT") under which BCSLC has agreed to make annual payments in lieu of taxes based on an appraised value determined by an independent appraiser in accordance with the terms of the PILOT.

For a description of the Barton Creek Resort and Country Club and the Owners Club at Barton Creek located within the Barton Creek Development see "BARTON CREEK RESORT, LLC" in this Official Statement.

In addition to the development occurring within the Participants, WCID 19 includes 227 homes and the service area of the Barton Creek Water Supply Corporation includes 212 homes.

THE MASTER DISTRICT

General

The Master District is a political subdivision of the State of Texas created, along with six other conservation and reclamation districts, by an act of the 74th Regular Session of the Texas Legislature (S.B. 1606) on June 16, 1995 and operates under Chapters 49 and 54 of the Texas Water Code, as amended. The Master District is subject to the continuing supervision of the TCEQ.

The Master 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, including water quality, to the acreage within its boundaries and the Service Area in its capacity as the provider of certain Service Area wide improvements. The Master District may also provide park and recreational facilities and solid waste disposal services. The Master District may issue bonds and other forms of indebtedness to purchase or construct such facilities, if approved by the voters within the Master District and the TCEQ. The Master District may also establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts and provide such facilities and services to the customers of the Master District.

Description and Location

Travis County Municipal Utility District No. 4, as a Participant, encompasses 491.54 acres of land, and in its capacity as the Master District and as the provider of certain area-wide utilities serves the approximately 3,520 acres located in the Service Area, including the acreage within the Master District's boundaries. In addition, the Master District provides wholesale water and sanitary sewer service to Travis County Water Control & Improvement District No. 19 ("WCID 19") and provides wholesale water service to the Barton Creek Water Supply Corporation. See "MASTER DISTRICT FACILITIES – Wholesale Service Agreements." The Master District and its Service Area are located approximately 8 miles south - southwest of Austin's central business district and is situated approximately 2 miles southwest of the intersection of RM 2244 and Capital of Texas Highway. The Service Area lies wholly within the extraterritorial jurisdiction of the City of Austin and within the boundaries of the Austin Independent School District. Access to Barton Creek is currently provided by Capital of Texas Highway to RM 2244 to Barton Creek Boulevard.

PARTICIPANTS IN CURRENT SERVICE AREA

Creation, Authority and Description

Travis County Municipal Utility District Nos. 3, 4 (in its role as a participating district), 5, 6, 7, 8 and 9 (the "Participants") operate as municipal utility districts pursuant to Chapters 49 and 54 of the Texas Water Code and are located within the Barton Creek Development. The creation of the Participants was initiated separately by Stratus Properties to finance the construction of water, wastewater, and storm drainage facilities within the Participants' boundaries. The Participants were created by a special act of the Texas Legislature.

The Participants are empowered to exercise all powers and functions which will permit accomplishment of the purposes for which they were created. Each Participant may issue bonds, with the approval of the TCEQ and the authorization of its board of directors and (if payable from taxes) its voters, to acquire and maintain facilities necessary to providing water, wastewater, and storm drainage, including water quality, to the land within their respective boundaries. Each Participant may also establish, operate, and maintain a fire department or contract for fire-fighting services, if the TCEQ and its voters approve a plan for that purpose. To date, Travis County Municipal Utility District No. 3 has issued five series of new money unlimited tax bonds totaling \$11,110,000 and five series of refunding unlimited tax bonds totaling \$13,990,000, Travis County Municipal Utility District No. 4 as a Participant district has issued one series of new money unlimited tax bonds in the amount of \$1,935,000 and one series of refunding unlimited tax bonds in the amount of \$1,750,000, Travis County Municipal Utility District No. 5 has issued four series of new money unlimited tax bonds totaling \$7,770,000 and two series of refunding unlimited tax bonds totaling \$6,300,000, Travis County Municipal Utility District No. 6 has issued one series of new money unlimited tax bonds in the amount of \$1,710,000 and one series of refunding unlimited tax bonds in the amount of \$1,460,000, and Travis County Municipal Utility District No. 8 has issued two series of new money unlimited tax bonds in the amount of \$2,290,000 and one series of refunding unlimited tax bonds in the amount of \$1,400,000. Travis County Municipal Utility District No. 7 and Travis County Municipal Utility District No. 9 have not issued unlimited tax bonds for the purposes described above, but each district anticipates issuing bonds in the future.

Operations

Pursuant to the Master District Contract, the Master District will deliver potable water to each of the customers of the Participants. The Master District will also collect domestic wastewater from the Participant's customers using wastewater services, which the Master District treats and discharges pursuant to the Master District Contract. In addition, the Master District will construct, acquire, maintain, and operate storm drainage facilities, including water quality facilities, necessary to serve the Service Area. See "INVESTMENT CONSIDERATIONS" and "MASTER DISTRICT FACILITIES – Regional Water Quality Facilities." The Master District will also be responsible for the retail billing and collecting for services provided. The Master District will be responsible for establishing retail rates for water, sewer and drainage (water quality) service, and is required by the Master District Contract to do so at a level which will produce sufficient revenue to pay operating and maintenance charges of the Master District, to pay other costs of operating and maintaining its own utility systems, and together with tax revenues, to pay its pro rata share of debt service requirements on the Bonds and Outstanding Contract Bonds. The Master District does not expect that revenues from the Participant's retail charges will ever be sufficient to pay a significant portion of Pledged Contract Payments for application to debt service on the Bonds.

Management

Each Participant is governed by a board of directors consisting of five members, which has control and management of all affairs of that Participant. A director's election is held within the boundaries of each Participant. The Participants conduct their elections in November of even-numbered years. Directors are elected to serve four-year staggered terms. All such directors reside or own property within the Participant on whose board they serve. None of the Participants have any employees. Each Participant contracts for all services required to maintain its operations. The Commission exercises continuing supervisory jurisdiction over each Participant, and operation of each Participant's water, wastewater and storm drainage facilities is subject to regulation by several other state and local agencies.

Financial Data

For a description of the status and history of development within each Participant, its debt structure, principal taxpayers, tax base and collection history, see "APPENDIX A - Certain Financial Information Regarding the Participants."

Future Participants

The Master District has contracted with the Participants covering the entire Service Area. The Service Area may only be enlarged upon approval of a majority of the Participants. The Master District has the right to contract with other participants. Any contract with a participant outside the existing Service Area and any enlargements in size and capacity of the Master District Facilities is subject to the terms and conditions of the Master District Contract and must not impair the right of a Participant to receive services from the Master District except with the consent of the Participants. The Master District agrees that it will only contract with other participants, if any, on substantially the same terms and conditions as are set out in the Master District Contract.

The Master District Contract also provides for the expansion of the Service Area to include customers which are not Participants ("Non-Participants") as long as (1) a majority of the Participants approve the expansion of the Service Area, and (2) Non-Participants agree to pay rates for services equal to (i) the cost of providing water and wastewater services, and (ii) the pro rata share of the capital cost of the Master District Facilities necessary to serve the Non-Participants. The Master District has entered into contracts with Travis County Water Control & Improvement District No. 19 ("WCID 19"), pursuant to the provisions of the Master District Contract, and accepted an assignment of a previous agreement to supply water to Barton Creek Water Supply Corporation ("BCWSC"). See "Service Area" below and "MASTER DISTRICT FACILITIES – Wholesale Service Agreements."

Service Area

Pursuant to the Master District Contract, the Master District is responsible for providing water, wastewater, and storm drainage facilities, including water quality facilities, to serve the 3,520 acre Service Area. In addition, the Master District is providing wholesale water supply and wastewater treatment service to the approximate 637 acres located outside the boundaries of the Participants, including wholesale water supply and wastewater treatment services to approximately 305 acres located in WCID 19 (227 equivalent single family connections for water service and 172 equivalent single family connections for wastewater service), and wholesale water supply services to approximately 332 acres served by BCWSC (212 equivalent single family connections).

WCID 19 and BCWSC are being served pursuant to individual wholesale service contracts (the "Wholesale Service Agreements") executed between the Master District and WCID 19 and BCWSC, respectively. See "MASTER DISTRICT FACILITIES - Wholesale Service Agreements."

Status of Development

The chart on the following page more completely describes the status of development within the Service Area as of March 1, 2021.

(The chart appear on the following page)

		Net Acreage	Platted Lots			Completed Units			Under Construction			Vacant Lots	
MUD	Section		Other	Single Family	Detached Condo	Single Family	Detached Condo	Multi- Family	Single Family	Detached Condo	Multi Family	Single Family	Detached Condo
A. Developed with Utility Facilities													
3	The Woods II	79.91	-	73	-	66 ^(a)	-	-	-	-	-	3	-
3	The Fairways	24.42	-	-	49 ^(b)	-	49	-	-	-	-	-	-
3	North Rim	60.61	-	18	-	17	-	-	-	-	-	1	-
3	Barton Creek Villas	24.53	216 ^(c)	-	-	-	-	216	-	-	-	-	-
3	ABC Mid./ Woods III	66.06	-	73	-	72	-	-	1	-	-	-	-
3	The Pointe	73.42	-	-	65 ^(d)	-	65	-	-	-	-	-	-
3	Governor's Hill	31.39	- ^(e)	-	44	-	44	-	-	-	-	-	-
3	Gateway South	6.38	-	1	-	1	-	-	-	-	-	-	-
3	SWACS/St. Gabriel's School	31.35	1 ^(f)	-	-	-	-	-	-	-	-	-	-
3	Section H-3	19.05	-	3	-	-	-	-	-	-	-	3	-
3	ABC West Ph. 1	149.16	- ^(g)	75	-	74	-	-	-	-	-	1	-
3	ABC West Ph. 2	120.24	-	47 ^(h)	-	47	-	-	-	-	-	-	-
3	Barton Creek Retail	8.00	3	-	-	-	-	-	-	-	-	-	-
3	Verano Drive	103.29	-	72	-	66 ⁽ⁱ⁾	-	-	2	-	-	-	-
3	Querencia	27.84	168 ^(j)	-	-	-	-	-	-	-	-	-	-
4	Barton Creek Resort	491.54	- ^(k)	-	36	-	28	-	-	-	-	-	8
5	Calera Court	15.34	-	-	16	-	16	-	-	-	-	-	-
5	Golf Course	255.06	- ^(l)	-	-	-	-	-	-	-	-	-	-
5	Calera Drive	71.02	-	52	-	48	-	-	3	-	-	1	-
5	Amarra Drive, Ph 1	40.15	-	5	2	4	-	-	1	-	-	-	2
5	Amarra Drive, Ph 2	89.44	-	35	-	23	-	-	8	-	-	4	-
5	Amarra Drive, Ph 3A	63.89	-	23	-	21	-	-	1	-	-	1	-
5	Amarra Drive, Ph 3B	84.77	-	63	-	36 ^(m)	-	-	21	-	-	5	-
5	Amarra Commercial	21.00	-	-	-	-	-	-	-	-	-	-	-
5	Block G (Villas at Amarra)	19.80	-	-	20	-	6	-	-	2	-	-	12
6	Section J, Phase 1	27.28	-	11	-	11	-	-	-	-	-	-	-
6	Section J, Phase 2	237.34	-	54 ⁽ⁿ⁾	-	42	-	-	1	-	-	2	-
8	Mirador	186.00	-	34 ^(o)	-	24	-	-	2	-	-	4	-
8	Section N - Santal Apartments	35.00	448 ^(p)	-	-	-	-	448	-	-	-	-	-
		2,463.27	836	639	232	552	208	664	40	2	-	25	22
B. Remaining Undeveloped but Developable Acreage													
7		186.22											
8		349.00											
9		283.34	818.57										
C. Undevelopable Acreage													
3		28.37											
5		26.33											
6		7.01											
7		31.12											
8		138.30											
9		7.41	238.54										
Total Acreage		3,520.38											

(The footnotes appear on the following page)

- (a) Includes 4 homes built on two lots each.
- (b) Platted as one lot, but developed as detached condominium units/patio homes with 49 units.
- (c) Barton Creek Villas, platted as one lot, is a multi-family development apartment complex with 216 total units with a living unit equivalency of 175.
- (d) Platted as one lot, but developed as 65 detached condominium units/patio homes and one gatehouse.
- (e) Platted as two lots, one of which is a single family residence and the other of which is developed as 44 detached condominium units/patio homes.
- (f) Developed by Southwest Austin Catholic School, a Texas nonprofit corporation, as a private school for grades K through 8. The school opened in September 1999.
- (g) Includes 75 single family lots and 5 commercial/multifamily lots. The 5 commercial/multifamily lots have been developed with utility facilities. Includes one single family home built on two lots.
- (h) Includes 41 single family lots and 6 estate lots.
- (i) Includes one completed home on three lots and two completed home on two lots each.
- (j) Senior living facility.
- (k) Includes the Barton Creek Resort and Spa and Owners Club.
- (l) Includes the Fazio Canyons golf course.
- (m) Includes one house on two lots.
- (n) Includes four homes built on two lots each, one home built on three lots and one home built on four lots.
- (o) Includes two homes built on two lots each and the two owners own three lots each.
- (p) The Santal Apartments, containing 448 apartment units.

THE DEVELOPER

Role of the Developer

In general, the activities of a developer in a municipal utility district such as those in the Service Area include purchasing the land within a future district; petitioning for creation of the district; designing the development; defining a marketing program; planning and scheduling development; securing necessary governmental approvals and permits for development; arranging for the construction and installation of roads, utilities, and drainage facilities; and selling improved and unimproved lots or development parcels to builders, other developers or third parties. Ordinarily, a developer pays one hundred percent (100%) of the costs of paving and amenity design and construction while the utility district finances the costs of the water supply and distribution, wastewater collection and treatment and drainage facilities. However, the TCEQ may require the developer to pay up to thirty percent (30%) of the cost of certain water distribution, wastewater collection and drainage facilities. While a developer is required by the TCEQ to pave streets and pay for its allocable portion of the costs of utilities to be financed by the district through a specific bond issue, if any, a developer is generally under no obligation to a district to undertake development activities with respect to other property it owns within a district. 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. The primary developer currently active within the Service Area is Stratus Properties.

Description of Developer

Stratus Properties Operating Co. L.P.

Portions of the original land located within the Participants were planned for development by a developer during the mid-1980s. At that time, the developer initiated development within WCID 19 and the service area of BCWSC and constructed the water supply facilities, sewage treatment facilities and the Barton Creek Country Club. During the late 1980s most of the land and facilities were subsequently acquired by the developer's lender.

Between 1988 and 1990, Stratus Properties Operating Co., a Delaware general partnership (or its predecessors-in-interest) acquired virtually all of the undeveloped property located within the Participants, the Barton Creek Resort and Country Club, the undeveloped land located within WCID 19 and BCWSC, and an additional approximately 500 acres located in the vicinity of the existing development property and within the boundaries of the City of Austin.

On December 15, 1999 Stratus Properties Operating Co. (formerly named FM Properties Operating Co.) was converted to a limited partnership now named Stratus Properties Operating Co., L.P. ("Stratus Properties"), a Delaware limited partnership, having Stratus Investments L.L.C., a Delaware limited liability company ("Stratus Investments, L.L.C.") as its 99% limited partner and STRS L.L.C., a Delaware limited liability company, as its 1% general partner. Stratus Investments L.L.C. and STRS L.L.C. are each owned 100% by Stratus Properties Inc., a Delaware corporation. The stock of Stratus Properties Inc. is traded over the NASDAQ. Stratus Properties is currently active in land development in the Austin, Texas area.

Initial development activities of Stratus Properties included expansion of the country club facilities, construction of a second 18-hole golf course and the development of single-family home lots located within WCID 19.

Between 1990 and 1995, Stratus Properties halted development within the Barton Creek Development as a result of various ordinances adopted by the City of Austin which affected land development in the City of Austin's extraterritorial jurisdiction.

In 1995, the Texas Legislature enacted legislation creating the seven (7) municipal utility districts which currently encompass the Participants. Beginning in 1995, Stratus Properties sold five (5) separate tracts totaling approximately 197 acres within the Participants to other developers and sold the Barton Creek Resort and Country Club to Barton Creek Resort & Clubs, Inc. Such sales were part of Stratus Properties' plans to reduce its outstanding debt by selling, rather than developing, some of its property. As a result of these and other sales, Stratus Properties reduced its outstanding debt. According to representatives of Stratus Properties, its current development plan for its property located within the Participants includes installation of the Master District Facilities and either selling undeveloped tracts to developers who will provide for the final development of such property or completing development and selling developed tracts. Certain tracts are available for commercial improvement.

Stratus Properties generally finances its development and other activities through a credit facility with Comerica Bank Texas. The credit facility includes a \$60,000,000 revolver. Stratus Properties currently has letters of credit totaling \$149,852 outstanding against the revolver, and has \$31,085,625 available under the revolver.

In conjunction with its development activities within the Barton Creek Development, Stratus Properties has obtained a permit from the U.S. Department of the Interior U.S. Fish and Wildlife Service which, according to Stratus Properties, allows it to develop approximately 4,684 acres for approximately 2,057 single family homes, 1,827 multi-family units, 400 villa residences and 4,600,000 square feet of commercial improvements pursuant to its current development plan. According to representatives of Stratus Properties, the inclusion of the Barton Creek salamander to the endangered species list along with the ineffectiveness of the Zone is not currently expected to significantly affect its development plans. See "INVESTMENT CONSIDERATIONS."

Stratus Properties, Inc. is subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information is available online at www.sec.gov.

Stratus Properties and other previous developers have developed various tracts of property within the Participants as single family, detached condominium/patio homes and/or commercial multi-family lots complete with utilities and street paving. Stratus Properties is primarily marketing lots to various custom homebuilders with the price range of homes being constructed within the Participants ranging from \$600,000 to over \$14,000,000.

Stratus Properties currently owns 2 detached condo lots (units) in Amarra Drive, Phases 1 and 2, located within Travis County Municipal Utility District No. 5. Stratus Properties currently owns 5 lots in Amarra Drive, Phase 3B. Stratus Properties completed the extension of the first phase of Tecoma Circle north of Southwest Parkway in April 2015. This project provides road and utility service to the first phase of Barton Creek Section N, located within the Travis County Municipal Utility District No. 8. In addition to Tecoma Circle, an affiliate of Stratus Properties completed construction of (i) phase 1 of a multi-family project (called the Santal Apartments) in Barton Creek Section N on approximately 35 acres, which includes a clubhouse and 11 apartment buildings with 236 units; and (ii) phase 2 of the Santal Apartments consisting of an additional 212 apartment units.

Amarra Development LLC

On December 28, 2011, Amarra Development LLC ("Amarra Development") purchased 15.46 acres from Stratus Properties and developed such acreage as Amarra Drive, Phase 3A (25 single family lots) within Travis County Municipal Utility District No. 5 in 2012.

Amarra Development is a Texas limited liability corporation which is managed by Roper Investment Corporation, a Texas corporation, and Doyle Wilson. According to Amarra Development, the acquisition and development costs related to Phase 3A was funded with cash and funds from Frontage Funding LLC, a Texas limited liability company owned by Mark Roper.

Amarra Development entered into an agreement with Canyon Homes, LLC, a Texas limited liability company, for the purchase of the lots as they are sold to buyers. Canyon Homes, LLC is constructing homes in ranging in size from 3,200 to 5,000 square feet and ranging in price from \$950,000 to \$1,600,000. As of March 1, 2021 residential development within Amarra Drive, Phase 3A included 21 completed single family homes, 1 single family home under construction and 1 developed single family vacant lots.

BARTON CREEK RESORT, LLC

History

In 1995, Barton Creek Resort & Clubs, Inc., a Texas corporation and a subsidiary of Club Corp USA, Inc., a Delaware corporation, which is a subsidiary of ClubCorp, Inc., a Delaware corporation (collectively referred to as "ClubCorp"), purchased the Barton Creek Resort and Spa from Stratus Properties.

On December 26, 2006, KSL Capital Partners, LLC ("KSL Capital Partners"), a Delaware limited liability company, acting through affiliated entities, purchased the stock of ClubCorp. In conjunction with such purchase, Barton Creek Resort & Clubs, Inc. deeded the Barton Creek Resort and Spa (rebranded as the Omni Barton Creek Resort and Spa) to Barton Creek Resort, LLC, a Delaware limited liability company ("Barton Creek Resort").

Purchase and Change of Management

In June 2013, Omni Barton Creek Inc. ("Omni Barton Creek"), a Delaware corporation and a subsidiary of Omni Hotels Corp. ("Omni Hotels"), a Delaware corporation, purchased the stock of Barton Creek Resort. KSL BC Management Company LLC served as the manager of Barton Creek Resort and Spa from 2006 to May 2013, but with the acquisition by Omni Barton Creek, management of the Omni Barton Creek Resort and Spa is now provided by Omni Hotels. Omni Hotels owns, operates, or manages approximately 50 hotels and resorts throughout the United States, Canada, and Mexico. Omni Hotels and its subsidiaries currently employ more than 15,000 individuals.

According to Omni Hotels, the Omni Barton Creek Resort and Spa has been mortgaged to a lender to secure repayment of a loan that matures in the third quarter of 2024. The loan is secured by the assets of six hotel properties, including the Omni Barton Creek Resort and Spa.

General

Omni Barton Creek Resort and Spa's main location is located at 8212 Barton Club Drive, Austin, Texas, which is within the boundaries of Travis County Municipal Utility District No. 4, and located on approximately 492 acres. Omni Barton Creek Resort and Spa's property underwent an approximately \$150 million renovation that was completed in May 2019. The property consists of a 51,000 square foot renovated clubhouse, several restaurants, a conference center that includes 53 meeting rooms, a grand ballroom and event pavilion, a 493 room hotel, the Fazio Foothills 18-hole golf course, the Crenshaw 18-hole golf course, sports and tennis shops, a championship caliber tennis center that includes 10 lighted tennis courts, three swimming pools, a fitness center and spa, jogging trails, and a three-level parking garage. Omni Barton Creek Resort and Spa operates both as a private club open to members and their guests, and a resort hotel available to the public.

Omni Barton Creek Resort and Spa also includes two golf courses located outside the boundaries of Travis County Municipal Utility District No. 4, the Fazio Canyons golf course, and the Lakeside Palmer golf course. The Fazio Canyons golf course is located within the boundaries of Travis County Municipal Utility District No. 5, and includes a clubhouse facility and a golf cart barn. The Lakeside Palmer golf course is located outside the boundaries of the Participant districts and has a complete clubhouse and country club facilities for members, members' guests, and resort guests.

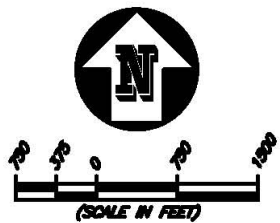
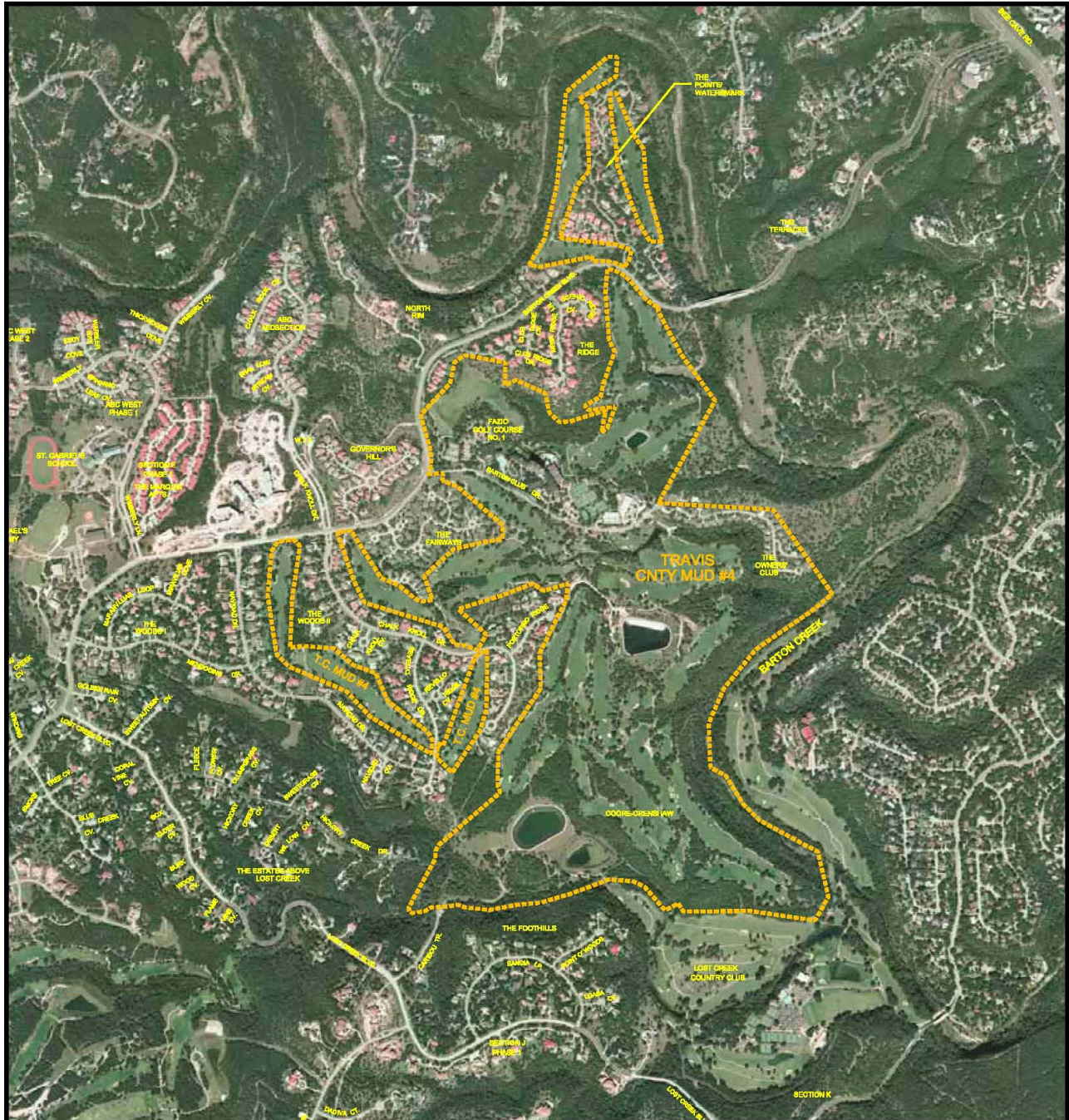
The Owners Club at Barton Creek

The Owners Club at Barton Creek, L.P., a Texas limited partnership, has developed the Owners Club at Barton Creek (the "Owners Club at Barton Creek"). The Owners Club at Barton Creek will include up to 36 separate 2,600 square foot units including three bedrooms and a one-car garage ("Club Homes") located within the boundaries of Travis County Municipal Utility District No. 4. As of March 1, 2021, 28 of the Club Homes were complete and purchased by homeowners, and no Club Homes were under construction. The purchase price and annual fees entitle the owner to 27 days lodging at a Club Home. Through a contractual arrangement, the Owners Club at Barton Creek hires Barton Creek Resort to provide certain services including concierge services to the Owners Club at Barton Creek.

COVID-19 Pandemic

The entities described herein, including Barton Creek Resort & Clubs, Inc., the Service Area's largest taxpayer, are concentrated in the hospitality industry, which industry has been particularly susceptible to market downturns related to the COVID-19 Pandemic. Due to the COVID-19 Pandemic, Barton Creek Resort temporarily closed in late March 2020, and reopened on May 21, 2020. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak (COVID-19)," "Dependence on Principle Taxpayers" and "TAX DATA – Principal Taxpayers – Table 7."

BARTON CREEK DEVELOPMENT MAP



Murfee Engineering Company

TRAVIS COUNTY M.U.D. #4 OVERALL MAP

1101 Capital of Texas Highway South, Building D, Suite 110, Austin, Texas 78746 (512) 327-9204

FILE(LAYOUT): C:\98\084\85\MUD-aerial.dwg(Layout1)

DATE: 4/10/2007

MASTER DISTRICT FACILITIES

Regulation

Construction and operation of the Master District Facilities as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state, and local authorities. The TCEQ exercises continuing, supervisory authority over the Master District, in its capacity as the Master District and in its capacity as a provider of internal utility services. Disposal of treated wastewater effluent into Texas waters, if any, is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory jurisdiction of Travis County.

Water Supply and Distribution

According to the Master District's Engineer, the Master District Facilities related to water supply currently consist of an intake structure, various water lines running from the intake structure to the 4.0 and 2.0 million gallon per day ("gpd") water treatment plants, 1 - 300,000 and 2 - 500,000 gallon ground storage tanks, two 500,000 gallon elevated storage tanks, a 5,000 gallon hydropneumatic tank, service pump capacity of 3,900 gallons per minute ("gpm") and various related appurtenances. The Master District purchases raw water from the Lower Colorado River Authority (the "LCRA") pursuant to a contract that runs through November 2051, treats such water, and distributes it throughout the Participants. The existing 4.0 million gpd water treatment plant will allow the Master District to serve up to 2,136 living unit equivalents ("LUEs"). In addition to providing water supply service to customers located within the Participants, the Master District is committed to providing wholesale water service to WCID 19 for 227 LUEs and Barton Creek Water Supply Corporation ("BCWSC") for 212 LUEs. See "PARTICIPANTS IN THE CURRENT SERVICE AREA" and "Wholesale Service Agreements" below.

The Master District, through Stratus Properties, completed the first phase of a second water treatment plant to provide service to the southern portions of the Service Area. This includes a portion of the Service Area presently supplied by the 4.0 million gpd plant thus reducing the area served by the 4.0 million gpd plant. The new second plant was made operational in January 2015. The first phase of the new water treatment plant can treat and deliver up to 2.0 million gallons of water per day. The additional 2.0 million gpd of capacity is sufficient to serve 1,068 LUEs and relieves a portion of the demands on the existing water treatment plant. This portion of the Service Area is provided water at a higher hydraulic grade and will operate independently under normal conditions from the 4.0 million gpd water treatment plant. The combined treatment capacities of the two plants (a total of 6.0 million gpd) are sufficient to serve up to 3,204 LUEs. The Master District will monitor the water needs and system demands of the development within its service area to assure that adequate treatment capacities are in place to meet the system demands. Based upon current development plans provided by the Developer, the existing municipal water supply contract with the LCRA should be sufficient to allow the Master District to meet the predicted demands at full development of the Service Area for the municipal (or potable) uses. The maximum annual quantity ("MAQ") is 3,463 acre-feet which is estimated to be sufficient to serve the ultimate projected development. The LCRA approved this new water supply contract on November 16, 2011. The Master District allocated 2,364.5 LUEs of water service (2,136 commercial/residential and 228.5 irrigation) to the Participants (including the Master District) and its two wholesale customers for the 4.0 million gpd water plant. The Master District is currently serving approximately 2,068 LUEs on its water system. The difference between the allocated LUEs and the number served is reflective of the near term development plans for developing districts and the actual meter count for existing connections. The Master District is charged with the responsibility to assure that adequate supply and treatment capacity is physically available to meet the system's demands as the number of LUEs continues to increase within the Participants. See "MASTER DISTRICT FACILITIES - Allocated Capacity."

The Master District has emergency interconnects with the City of Austin, Travis County Water Control and Improvement District No. 20 and West Travis County Public Utility Agency. These interconnects are available to provide potable water to the Master District and the Participants in the event of an emergency.

Wastewater Collections and Treatment

The Master District's current wastewater treatment facilities include wastewater treatment facilities sufficient to treat a total of 1.10 million gpd between its two permits, various wastewater conveyance lines, and effluent ponds. Effluent from the Master District's wastewater treatment plant is discharged into the effluent ponds and ultimately irrigated onto the golf courses and certain other open spaces located within the Participants. The Master District has been granted two wastewater treatment permits issued by the TCEQ. The original permit related to the existing wastewater treatment plant allows the Master District to treat up to 500,000 gallons per day ("gpd") of wastewater and allows the Master District to dispose of 720,000 gpd of wastewater effluent irrigated on golf courses. The additional volume for disposal was included in the original permit to accommodate the effluent received from Lost Creek MUD (located adjacent to the Master District) pursuant to an agreement between the Master District and Lost Creek MUD. The Master District's existing wastewater treatment plant operating under the original 500,000 gpd permit is capable of serving approximately 2,000 equivalent single family connections.

The Master District obtained a second wastewater treatment permit from the TCEQ allowing the Master District to treat an additional 600,000 gpd (at the final permitted phase) at a plant site situated in the southern portion of the development area. The Master District, through Stratus Properties, completed construction of the first phase of the south wastewater treatment facility in April of 2016. The first phase of construction included a 101 acre-foot effluent storage pond and a 100,000 gpd treatment plant. The treatment plant is a leased plant and began operations in January 2017. When the final phase is completed, the south wastewater treatment plant is expected to be capable of

serving an additional 2,400 equivalent single family connections, which will give the Master District a combined wastewater treatment capacity sufficient to serve 4,400 equivalent single family connections.

The Master District wastewater facilities include four effluent storage ponds with a combined effluent storage capacity of 267 acre feet. The Master District is currently serving approximately 2,051 wastewater equivalent single family connections. In addition to providing wastewater treatment to customers located within the Participants, the Master District also is committed to providing wholesale wastewater service to Travis County WCID No. 19 (172 LUEs) and 77 acres of land outside the boundaries of any district (26 LUEs). See "Allocated Capacity" and "Wholesale Service Agreements" below.

Regional Water Quality Facilities

In conjunction with the water quality protection plan adopted and effective within the Participants, the Master District operates eleven (11) water quality ponds. Water quality ponds capture certain runoff from development and trap sediment and petroleum products in the ponds. Thereafter, the sediment and petroleum products are removed from the ponds. The captured storm water is pumped from the ponds to irrigate the golf courses and other open areas within the Participants.

Additional water quality ponds will be constructed in conjunction with additional development within the Service Area. All water quality facilities are owned and operated by the Master District.

Regulation

Construction and operation of the Master District Facilities as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state, and local authorities. The Commission exercises continuing, supervisory authority over the Master District, in its capacity as the Master District and in its capacity as a provider of internal utility services. Disposal of treated wastewater effluent is also subject to the regulatory authority of the Commission and the United States Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory jurisdiction of Travis County.

Internal Water Distribution, Wastewater Collection and Drainage Facilities

Internal water distribution, wastewater collection and storm drainage facilities have been constructed or are being constructed by the Participants to serve development within their boundaries. In particular, such internal facilities have been constructed to serve a portion of Travis County MUD No. 3, MUD No. 4, a portion of MUD No. 5, MUD No. 6, a portion of MUD No. 8 and plans are currently underway to serve additional development within their boundaries. See "THE DEVELOPER."

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance.

According to the Master District's Engineer, the flood hazard boundary map currently in effect, published by the Federal Emergency Management Agency (dated September 26, 2008), which covers the land located in the Service Area, indicates that approximately 296 acres of land located in the Service Area (TCMUDs 3-9) are located within the 100-year flood plain.

The National Oceanic and Atmospheric Administration ("NOAA") has been systematically updating their Precipitation-Frequency Atlas for all areas of the United States, known as Atlas 14 ("Atlas 14"). Volume 11 of Atlas 14 covers the State of Texas and was released in 2018. These updates replace storm intensity values published in 1961 and present more recent rainfall records and advances in statistical analysis. Impacts to Texas vary from no change in rainfall intensity to significant increases in rainfall for a respective frequency. For Central Texas using the 1% chance event (100-year frequency), the increase in rainfall amounts is as much as three-inches. Potential impacts include existing drainage facilities, future designs, and floodplain limits but it is unknown at this time how the various regulatory entities will incorporate this data into their criteria and reviews.

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Participation-Frequency Atlas of the United States ("Atlas 14"). The study shows that Central Texas is more likely to experience larger storms than previously thought. Based on this study, various governmental entities in the Central Texas area are contemplating amendments to their regulations that will potentially increase the size of the 100-year flood plain which interim flood plain is based on the current 500-year flood plain, resulting in the interim flood plain 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 flood plain). Floodplain boundaries within the Master District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger

number of properties and consequently leaving less developable property within the Master District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

Allocated Capacity

Each Participant has reserved capacity in the Master District Facilities and has the right to reserve additional capacity. The water supply and wastewater treatment capacity reserved to each Participant, expressed in equivalent single-family connections for fiscal year 2021 are shown on the following table.

PARTICIPANTS	Allocated Capacity (Equivalent Single Family Connections)			Active (Equivalent Single Family Connections)
	Water	Sewer	Irrigation	
Travis County Municipal Utility District No. 3	1,042	1,000	-	560
Travis County Municipal Utility District No. 4 ^(a)	1,047	625	152.5	77
Travis County Municipal Utility District No. 5	433	357	76.0	211
Travis County Municipal Utility District No. 6	65	54	-	69
Travis County Municipal Utility District No. 7	9	21	-	-
Travis County Municipal Utility District No. 8	446	446	-	32
Travis County Municipal Utility District No. 9	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
Total	3,044	2,505	228.5	951

(a) Includes Barton Creek Resort, WCID 19 (227 equivalent single family connections for water service and 172 equivalent single family connections for sewer service) and BCWSC (212 equivalent single family connections related to water service only).

Wholesale Service Agreements

WCID 19 - The Master District has agreed to provide wholesale water and wastewater service to the property located within the boundaries of WCID 19. See "PARTICIPANTS IN CURRENT SERVICE AREA - Service Area." Rates charged by the Master District to WCID 19 include only costs for operation and maintenance and necessary replacement of original facilities directly serving WCID 19. WCID 19's share of the costs for the Master District Facilities for water was paid by a lump sum payment to Stratus Properties on June 30, 1997, which financed such facilities. WCID 19's share of the Master District Facilities for wastewater is being paid through a special \$17.50 per month per connection surcharge to be paid to the Master District for thirty (30) years which in turn is paid to Stratus Properties monthly. The Master District has agreed to provide adequate water supply for 227 LUEs plus any expansion to St. Michael's Academy, a private secondary school located within WCID 19's boundaries. Under an amendment to the agreement, WCID 19 pays monthly charges calculated annually to cover its share of such costs. Effective May 1, 2020, WCID 19 pays \$1,286 per month plus \$2.06 per 1,000 gallons of water for the first 165,000,000 gallons of water, including water loss, for each calendar year and \$2.28 per 1,000 gallons of water over and above 165,000,000 gallons of water per calendar year. The Master District has agreed to provide centralized wastewater service to those subdivisions within WCID 19 that have centralized sanitary sewer facilities, which currently represent 172 LUEs.

BCWSC - The Master District provides wholesale water service to BCWSC pursuant to that certain Agreement for Deannexation, Provision of Water Service and Construction of Water Facilities. See "PARTICIPANTS IN CURRENT SERVICE AREA - Service Area." BCWSC provides retail service to approximately 212 single-family homes. The Master District is obligated to provide up to 100,000,000 gallons of potable water per year. The parties have further agreed that BCWSC's share of the capital costs is limited to the sum of \$600,000 which shall be amortized over 30 years, without interest, and shall be included in the rates paid by BCWSC to the Master District. Under an amendment to the agreement, BCWSC pays the Master District the wholesale water rate calculated annually to cover its share of such costs. Effective May 1, 2020, BCWSC pays \$1,578 per month plus \$2.04 per 1,000 gallons of water for the first 100,000,000 gallons of water per year and \$3.10 per 1,000 gallons over and above 100,000,000.

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Operations – Table 1

The following statement sets forth in condensed form the historical results of operation of the water, wastewater and water quality facilities which constitute a part of the Master District Facilities. Operation and maintenance of the Master District Facilities is the responsibility of the Master District pursuant to the Master District Contract. The summary of operations has been prepared by the Financial Advisor for inclusion herein, based upon information obtained from the audited financial statements of the Master District. Reference is made to such statements for further and complete information.

	Fiscal Year Ended				
	9/30/2020 ^(a)	9/30/2019 ^(a)	9/30/2018 ^(a)	9/30/2017 ^(a)	9/30/2016 ^(a)
Revenues					
Water, wastewater and water quality fees, including penalties	\$ 4,131,408	\$ 3,969,427	\$ 4,176,511	\$ 3,933,260	\$ 3,344,288
Tap connection fees	95,575	56,000	76,680	83,800	105,800
Interest	24,166	64,629	36,252	4,117	1,356
Miscellaneous	23,759	23,768	38,760	22,140	21,600
Total Operating Revenues	\$ 4,274,908	\$ 4,113,824	\$ 4,328,203	\$ 4,043,317	\$ 3,473,044
Expenditures					
Water Purchases	\$ 502,914	\$ 488,625	\$ 529,329	\$ 507,236	\$ 500,056
Repairs and maintenance	637,305	483,079	485,951	460,933	656,830
Utilities and Telephone	616,919	550,879	588,913	605,407	698,465
Permit Fees	2,800	4,290	5,449	3,995	2,732
Water Quality Monitoring	-	-	-	-	-
Sludge Hauling	235,494	152,024	87,498	196,801	170,369
Chemical and Lab Fees	169,467	169,780	186,280	141,430	142,253
Lease Expenditures	192,000	199,833	207,667	207,667	103,833
Security Services	16,584	16,584	16,584	16,584	16,584
Landscape Services	155,342	149,277	179,631	149,517	145,006
Legal Fees	40,427	32,631	39,656	26,238	35,746
Engineering Fees	348,093	243,101	256,359	244,792	368,412
Operations and Management	408,804	388,411	367,152	341,113	305,098
Audit Fees	16,125	16,625	16,625	18,000	18,000
Bookkeeping Fees	78,000	78,000	78,000	78,000	78,000
Other Consulting Fees	15,520	16,205	18,580	36,649	23,275
Director Fees	10,657	8,720	8,720	8,881	8,558
Insurance	73,303	67,693	63,020	66,930	48,810
Miscellaneous	31,768	28,047	26,861	27,163	26,231
Capital Outlay	811,504	807,930	612,288	906,320	1,006,260
Total Operating Expenditures	\$ 4,363,026	\$ 3,901,734	\$ 3,774,563	\$ 4,043,656	\$ 4,354,518
NET REVENUES / (DEFICIT)	\$ (88,118)	\$ 212,090	\$ 553,641	\$ (339)	\$ (881,474)
Plus / (Less) Fund Transfers	(201,454)	477,804	264,577	(37,393)	1,200,895
Beginning Fund Balance	\$ 3,807,444	\$ 3,117,550	\$ 2,299,333	\$ 2,337,065	\$ 2,017,644
Adjustments	-	-	-	-	-
Ending Fund Balance	\$ 3,517,872	\$ 3,807,444	\$ 3,117,550	\$ 2,299,333	\$ 2,337,065

(a) Audited

Rate and Fee Schedule - Table 2

Pursuant to the Master District Contract, the Master District provides retail water, wastewater, and drainage services to the Participants. The current retail water and wastewater rates of the Master District are set forth below. The following rates became effective April 15, 2020 but are subject to change from time to time.

Water (Monthly Billing)

Basic Charge (includes 2,000 gallons):

5/8" meter	\$ 20.00
3/4" meter	20.00
1" meter	27.50
1-1/2" meter	45.00
2" meter	67.50
3" meter	135.00
4" meter	225.00
6" meter	450.00
8" meter	675.00

Gallage Rate per 1,000:

0 – 2,000 gallons	Included in Base Fee
2,000 – 20,000	\$2.70
20,001 – 50,000	3.00
50,001 – 100,000	3.25
100,001 – 150,000	3.75
over 150,000	4.50

Wastewater (Monthly Billing)

Basic Charge (includes 2,000 gallons):

5/8" meter	\$ 36.00
3/4" meter	36.00
1" meter	90.00
1-1/2" meter	180.00
2" meter	288.00
3" meter	576.00
4" meter	900.00
6" meter	1,800.00

Gallage Rate per 1,000: \$2.90

Generally bills for wastewater service are computed on the basis of (i) the average amount of water used during the winter season based upon the average monthly readings for the preceding December, January, and February or (ii) the current monthly water bill whichever is less.

Water Quality (Monthly Billing)

Basic Charge (per L.U.E.) \$22.00

Tap Fees

Water

<u>Meter Size</u>	<u>Tap Fee</u>
Up to 3/4"	\$ 1,500.00
1"	2,000.00
1-1/2"	5,500.00
2"	6,000.00
2-1/2"	7,500.00
3" or larger	Higher of \$8,000.00 or cost of meter & installation

Wastewater

<u>Meter Size</u>	<u>Tap Fee</u>
5/8" or 3/4"	\$ 1,500.00
larger than 3/4"	to be determined based upon installation cost plus 10%

DEBT SERVICE REQUIREMENTS – TABLE 3

Travis County Municipal Utility District No. 4

\$8,505,000

Unlimited Contract Tax Refunding Bonds, Series 2021

Dated Date: June 3, 2021

First Interest Payment Due: September 1, 2021

Year Ending 31-Dec	Current Debt Service Requirement	Less Refunded Debt Service	The Bonds				Principal and Interest	Total Debt Service Requirements
			Principal (Due 9/01)	Interest (Due 3/01)	Interest (Due 9/01)	Total		
2021	\$ 5,308,378	\$ 146,381	\$ 50,000	\$ -	\$ 56,540	\$ 56,540	\$ 106,540	\$ 5,268,536
2022	5,323,928	342,763	40,000	114,650	114,650	229,300	269,300	5,250,465
2023	5,286,765	341,450	40,000	113,850	113,850	227,700	267,700	5,213,015
2024	5,341,390	365,075	65,000	113,050	113,050	226,100	291,100	5,267,415
2025	5,357,390	367,825	70,000	111,750	111,750	223,500	293,500	5,283,065
2026	5,369,665	365,350	70,000	110,350	110,350	220,700	290,700	5,295,015
2027	5,394,540	372,875	85,000	108,950	108,950	217,900	302,900	5,324,565
2028	5,534,990	1,110,075	825,000	107,250	107,250	214,500	1,039,500	5,464,415
2029	5,633,740	1,118,100	865,000	90,750	90,750	181,500	1,046,500	5,562,140
2030	5,297,903	1,169,988	950,000	73,450	73,450	146,900	1,096,900	5,224,815
2031	5,519,303	244,275	65,000	54,450	54,450	108,900	173,900	5,448,928
2032	5,524,590	242,650	65,000	53,800	53,800	107,600	172,600	5,454,540
2033	5,648,315	241,025	65,000	53,150	53,150	106,300	171,300	5,578,590
2034	5,786,203	289,400	110,000	52,500	52,500	105,000	215,000	5,711,803
2035	5,784,996	285,900	110,000	51,400	51,400	102,800	212,800	5,711,896
2036	5,451,834	282,400	110,000	50,300	50,300	100,600	210,600	5,380,034
2037	5,435,746	278,900	110,000	49,200	49,200	98,400	208,400	5,365,246
2038	5,204,875	2,575,400	2,405,000	48,100	48,100	96,200	2,501,200	5,130,675
2039	5,364,969	2,525,400	2,405,000	24,050	24,050	48,100	2,453,100	5,292,669
2040	4,956,213	-	-	-	-	-	-	4,956,213
2041	3,179,750	-	-	-	-	-	-	3,179,750
2042	2,150,000	-	-	-	-	-	-	2,150,000
2043	2,075,000	-	-	-	-	-	-	2,075,000
	<u>\$ 115,930,480</u>	<u>\$ 12,665,231</u>	<u>\$ 8,505,000</u>	<u>\$ 1,381,000</u>	<u>\$1,437,540</u>	<u>\$2,818,540</u>	<u>\$ 11,323,540</u>	<u>\$ 114,588,789</u>

COMPOSITE FINANCIAL STATEMENT – TABLE 4

Assessed Valuations of the Participants:^(a)

Participants Travis County MUD No.	2021 Preliminary Assessed Valuation	% of Total	2020 Certified Assessed Valuation	% of Total	2019 Certified Assessed Valuation	% of Total
3	\$ 778,619,550	46.15%	\$ 720,774,910	47.93%	\$ 723,191,014	49.66%
4	201,251,345 ^(b)	11.93%	151,484,236 ^(b)	10.07%	122,724,876	8.43%
5	400,089,852	23.71%	333,745,779	22.19%	303,921,774	20.87%
6	140,506,508	8.33%	142,913,286	9.50%	149,696,983	10.28%
7	1,643,943	0.10%	1,644,765	0.11%	1,647,230	0.11%
8	161,119,883	9.55%	149,469,471	9.94%	151,266,040	10.39%
9	3,873,189	0.23%	3,839,281	0.26%	3,892,105	0.27%
	<u>\$ 1,687,104,270</u>	<u>100.00%</u>	<u>\$ 1,503,871,728</u>	<u>100.00%</u>	<u>\$ 1,456,340,022</u>	<u>100.00%</u>

(a) As provided by Travis Central Appraisal District (“TCAD”).

(b) Located in Travis Co. MUD No. 4, the Service Area’s largest taxpayer is Barton Creek Resort & Clubs, Inc., an entity concentrated in the hospitality industry and a subsidiary of Omni Hotels Corp. The hospitality industry has been particularly susceptible to market downturns related to the COVID-19 Pandemic. See “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak (COVID-19),” “-Dependence on Principle Taxpayers,” “BARTON CREEK RESORT, LLC” and “TAX DATA – Principal Taxpayers – Table 7.”

Contract Tax Bonds

Outstanding

GROSS CONTRACT DEBT	<u>\$81,665,000</u> ^(a)
Ratio of Gross Contract Debt to 2020 Certified Assessed Valuation	5.43%
Ratio of Gross Contract Debt to 2021 Preliminary Assessed Valuation.....	4.84%

Master District Funds Available as of May 3, 2021 ^(b):

Debt Service Fund.....	\$ 4,193,868 ^(c)
Debt Service Reserve Fund	2,542,917 ^(d)
Special Revenue Fund.....	2,781,014
Capital Projects Fund	3,961,510

(a) Includes the Bonds, excludes the Refunded Bonds. See “Appendix A – Certain Financial Information Regarding the Participants” for other outstanding debt of the Participants.

(b) Unaudited.

(c) Neither the Bond Resolution nor Texas law requires that the Master District maintain any particular sum in the Debt Service Fund.

(d) A Reserve Fund currently established in a fixed amount generally equivalent to six months debt service requirements on the Outstanding Contract Bonds has been established as security for the owners of such bonds. Pursuant to the Trust Indenture, the Master District may adjust the amount required to be on deposit in the Reserve Fund each time it issues additional contract bonds. At the discretion of the Master District, the issuance of such additional contract bonds may result in the amount required to be on deposit in the Reserve Fund being less than six months debt service requirements on the Outstanding Contract Bonds. In connection with the issuance of the Bonds and the refunding of the Refunded Bonds, the Master District intends to maintain the required amount of the Reserve Fund as \$2,491,061, such amount being approximately six months of the average annual debt service requirements on the Bonds and then Outstanding Contract Bonds (excluding the Refunded Bonds). No assurance can be made that additional monies will be deposited to the Reserve Fund or that the amount required to be on deposit in the Reserve Fund will be maintained at any particular amount upon the issuance of additional contract bonds.

Outstanding Contract Tax Bonds

Dated Date	Purpose	Original Series	Original Principal Amount	Principal Amount Outstanding after Issuance of the Bonds
A. New Money Bonds				
5/1/1997	Water Facilities	1997	\$ 4,350,000	\$ -
4/1/1999	Water Facilities	1999	2,590,000	-
6/1/2000	Water Facilities	2000	3,850,000	-
10/1/2001	Water Facilities	2001	4,525,000	-
8/1/2002	Water and Wastewater	2002	4,700,000	-
7/1/2003	Water and Wastewater	2003A	5,000,000	-
11/1/2005	Water and Wastewater	2005	5,575,000	-
3/1/2007	Water and Wastewater	2007	5,750,000	-
3/1/2008	Water and Wastewater	2008	7,125,000	-
3/1/2009	Water and Wastewater	2009	3,510,000	-
12/1/2009	Water and Wastewater	2009A	5,625,000	-
11/1/2010	Water and Wastewater	2010A	5,435,000	-
5/1/2015	Water and Wastewater	2015A	5,775,000	25,000
9/7/2016	Water and Wastewater	2016A	14,600,000	12,900,000
11/14/2017	Water and Wastewater	2017A	17,235,000	15,915,000
2/26/2019	Water and Wastewater	2019	8,000,000	7,990,000
Subtotal New Money Bonds			\$ 103,645,000	\$ 36,830,000
B. Refunding Bonds				
2/1/2003	Refunding	2003	\$ 8,360,000	\$ -
5/1/2010	Refunding	2010	9,655,000	-
12/1/2011	Refunding	2011	6,795,000	1,085,000
6/1/2012	Refunding	2012	9,285,000	520,000
3/1/2013	Refunding	2013	9,900,000	850,000
12/1/2014	Refunding	2014	6,130,000	-
3/1/2015	Refunding	2015	2,900,000	25,000
6/7/2016	Refunding	2016	9,555,000	9,445,000
5/24/2017	Refunding	2017	5,790,000	5,745,000
10/8/2019	Refunding	2019A	13,630,000	13,625,000
6/30/2020	Refunding	2020	5,080,000	5,035,000
6/3/2021	Refunding	2021	8,505,000	8,505,000
Subtotal Refunding Bonds			\$ 95,585,000	\$ 44,835,000
Total			<u>\$ 199,230,000</u>	<u>\$ 81,665,000</u>

(a) Includes the Bonds; excludes the Refunded Bonds.

(b) The Bonds.

Investment Authority and Investment Practices of the Master District

Under Texas law, the Master District is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (the "PFIA") (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for District deposits; or (ii) that are invested by the Master District through a depository institution that has its main office or a branch office in the State of Texas and otherwise meets the requirements of the PFIA; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State of Texas; (9) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (10) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (11) no-load money market mutual funds registered with and regulated by the SEC that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share; and (12) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

A political subdivision such as the Master District may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (10) through (12) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the Master District, held in the Master District's name and deposited at the time the investment is made with the Master District or a third party designated by the Master District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The Master District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service. The Master District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the Master District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the Master District must do so by order, ordinance, or resolution.

The Master District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under Texas law, the Master District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund, groups methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that

specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the Master District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the Master District's investment officers must submit an investment report to the Board of Directors detailing: (1) the investment position of the Master District; (2) that all investment officers jointly prepared and signed the report; (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group; (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period; (5) the maturity date of each separately invested asset; (6) the account or fund or pooled fund group for which each individual investment was acquired; and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest District funds without express written authority from the Board of Directors.

Under Texas law, the Master District is additionally required to: (1) annually review its adopted policies and strategies; (2) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the Master District to disclose the relationship and file a statement with the Texas Ethics Commission and the Master District; (3) require the registered principal of firms seeking to sell securities to the Master District to: (a) receive and review the Master District's investment policy; (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities; and (c) deliver a written statement attesting to these requirements; (4) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the Master District's investment policy; (5) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (6) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the Master District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; and (7) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements.

Current Investments

As of May 3, 2021, the Master District is currently invested in Money Market and TexPool, as shown below. This investment portfolio is generally representative of the Master District's investment practices. GASB Statement No.3 requires the Master District to assign risk categories for its investment, except those in which securities are not used as evidence of the investment. TexPool is a public funds investment pool. TexPool has not been assigned a risk category since the Master District has not issued securities, but rather it owns an undivided beneficial interest in the assets of TexPool. State law requires the Master District to mark its investments to market price each calendar quarter and upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the Master District's audited financial statements.

Investment Value as of May 3, 2021	
Cash	\$ 912,071
Money Market	2,650,387
Texpool	9,916,851
Total Investments	\$ 13,479,309

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TAX DATA

Classification of Assessed Valuation within the Service Area ^(a) – Table 5

Type Property	2020 ^(a)		2019 ^(a)		2018 ^(a)	
	Amount	%	Amount	%	Amount	%
Single Family Residence	\$ 1,134,713,020	74.08%	\$ 1,117,261,655	76.72%	\$ 1,103,657,787	81.65%
Multifamily Residence	148,150,000	9.67%	138,700,000	9.52%	95,860,000	7.09%
Vacant Lot	25,913,315	1.69%	29,099,115	2.00%	28,947,069	2.14%
Qualified Ag Land	2,147,638	0.14%	1,657,200	0.11%	1,657,200	0.12%
Non-qualified Ag Land	11,361,869	0.74%	4,752,307	0.33%	4,752,807	0.35%
Commercial Real Property	181,543,449	11.85%	131,271,741	9.01%	88,043,565	6.51%
Telephone/Cable Company	489,853	0.03%	549,659	0.04%	497,976	0.04%
Commercial Personal Property	4,918,540	0.32%	4,970,143	0.34%	5,339,448	0.40%
Residential Inventory	36,309,331	2.37%	37,868,571	2.60%	46,134,512	3.41%
Industrial & Manufacturing	698,401	0.05%	30,107	0.00%	25,226	0.00%
Totally Exempt Property	66,751,189	4.36%	66,812,945	4.59%	67,275,425	4.98%
Less: Adjustments	(81,225,807)	-5.30%	(76,633,421)	-5.26%	(90,555,614)	-6.70%
Total Assessed Valuation	\$ 1,531,770,798	100.00%	\$ 1,456,340,022	100.00%	\$ 1,351,635,401	100.00%

- (a) Reflects classification of assessed valuation as obtained from the Master District audits prior to adjustments. Such value may differ from the original certified assessed valuation, and any supplements or adjustments thereto, as supplied by Travis Central Appraisal District.

2020 Tax Rate Summary

Travis County MUD:	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	No. 9
Debt Service	\$ 0.0905	\$ 0.1200	\$ 0.1865	\$ 0.0930	\$ -	\$ 0.1090	\$ -
Maintenance & Operation	0.0290	0.2596	0.0425	0.0216	0.5589	0.1710	0.4775
Contract	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
Total	\$ 0.4695	\$ 0.7296	\$ 0.5790	\$ 0.4646	\$ 0.9089	\$ 0.6300	\$ 0.8275

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Tax Collections – Table 6

The following statement of tax collections sets forth in condensed form the historical tax collection experience of the Master District. Such summary has been prepared by the Financial Advisor for inclusion herein based upon information from Master District audits and records. Reference is made to such audits and records for further and more complete information.

Tax Year	Service Area		Tax Rate	Contract Tax Levy	Current Collections		Total Collections		Year Ending
	Assessed Valuation				Amount	%	Amount	%	
1996	^(a) \$ 48,984,233		\$ 0.6417 ^(b)	\$ 248,553	\$ 248,553	100.00%	\$ 248,553	100.00%	9/30/1997 ^(l)
1997	54,212,436		0.8638	483,802	483,618	99.96%	483,618	99.96%	9/30/1998 ^(l)
1998	89,059,369		0.5589 ^(c)	403,702	403,465	99.94%	403,465	99.94%	9/30/1999 ^(l)
1999	160,633,587		0.5589 ^(d)	594,457	570,086	95.90%	570,296	95.94%	9/30/2000 ^(l)
2000	249,461,050		(e)	1,754,083	1,686,583	96.15%	1,686,583	96.15%	9/30/2001 ^(l)
2001	354,659,842		(f)	1,170,896	1,163,253	99.35%	1,164,675	99.47%	9/30/2002 ^(l)
2002	426,909,150		(g)	1,504,690	1,433,798	95.29%	1,439,765	95.69%	9/30/2003 ^(l)
2003	428,972,518		(h)	1,532,753	1,516,929	98.97%	1,520,970	99.23%	9/30/2004 ^(l)
2004	464,582,720		(h)	1,774,500	1,753,126	98.80%	1,760,025	99.18%	9/30/2005 ^(l)
2005	494,128,870		(i)	1,733,618	1,739,599	100.35%	1,745,951	100.71%	9/30/2006 ^(l)
2006	593,668,701		(j)	2,080,593	2,077,220	99.84%	2,085,995	100.26%	9/30/2007 ^(l)
2007	737,389,478		(k)	2,591,216	2,580,682	99.59%	2,583,779	99.71%	9/30/2008 ^(l)
2008	872,591,762		(k)	3,029,665	3,007,831	99.28%	3,019,528	99.67%	9/30/2009 ^(l)
2009	909,978,888		0.3500	3,153,548	3,127,817	99.18%	3,138,903	99.54%	9/30/2010 ^(l)
2010	835,332,300		0.3500	2,923,830	2,899,093	99.15%	2,919,076	99.84%	9/30/2011 ^(l)
2011	830,691,192		0.3500	2,908,024	2,881,539	99.09%	2,900,978	99.76%	9/30/2012 ^(l)
2012	850,794,416		0.3500	2,977,056	2,962,510	99.51%	2,986,364	100.31%	9/30/2013 ^(l)
2013	908,376,654		0.3500	3,179,818	3,175,931	99.88%	3,202,105	100.70%	9/30/2014 ^(l)
2014	988,944,167		0.3500	3,461,305	3,448,512	99.63%	3,453,645	99.78%	9/30/2015 ^(l)
2015	1,095,597,678		0.3500	3,844,455	3,810,039	99.10%	3,823,744	99.46%	9/30/2016 ^(l)
2016	1,192,900,241		0.3500	4,282,112	4,266,367	99.63%	4,288,375	100.15%	9/30/2017 ^(l)
2017	1,300,994,743		0.3500	4,553,482	4,545,752	99.83%	4,570,488	100.37%	9/30/2018 ^(l)
2018	1,351,635,401		0.3500	4,730,724	4,722,290	99.82%	4,722,290	99.82%	9/30/2019 ^(l)
2019	1,534,866,491		0.3500	5,372,033	5,084,651	94.65%	5,090,035	94.75%	9/30/2020 ^(l)
2020	1,503,871,728		0.3500	5,263,551	5,128,288	97.43%	5,128,288	97.43%	9/30/2021 ^(m)

(a) Initial year of Contract Tax levy.

(b) Travis County Municipal Utility District No. 4 levied a contract tax of \$0.3817, and the remaining Participants levied a contract tax of \$0.6417.

(c) Travis County Municipal Utility District No. 3 levied a contract tax of \$0.3789, and the remaining Participants levied a contract tax of \$0.5589.

(d) Travis County Municipal Utility District No. 3 levied a contract tax of \$0.3024 and the remaining Participants levied a contract tax of \$0.5589.

(e) Travis County Municipal Utility District No. 3 levied a contract tax of \$0.2186, MUD No.4 levied a contract tax of \$0.3730, MUD No. 5 and No. 7 levied a contract tax of \$0.5589, MUD No. 6 levied a contract tax of \$0.6970, MUD No. 8 levied a contract tax of \$0.5433, and MUD No. 9 levied a contract tax of \$0.5791.

(f) Travis County Municipal Utility District No. 3 levied a contract tax of \$0.3300, MUD No.4 levied a contract tax of \$0.3300, MUD No. 5 levied a contract tax of \$0.4269, MUD No. 6 levied a contract tax of \$0.4600, MUD No. 7 levied a contract tax of \$0.4800, MUD No. 8 levied a contract tax of \$0.6128, and MUD No. 9 levied a contract tax of \$0.7800.

(g) Travis County Municipal Utility District Nos. 3, 4, 5, 6 and 8 levied a contract tax of \$0.3500, MUD No. 7 levied a contract tax of \$0.4800 and MUD No. 9 levied a contract tax of \$0.6000.

(h) Travis County Municipal Utility District Nos. 3, 4, 5, and 6 levied a contract tax of \$0.3500, MUD Nos. 7 and 8 levied a contract tax of \$0.4800 and MUD No. 9 levied a contract tax of \$0.6389.

(i) Travis County Municipal Utility District Nos. 3, 4, 5, and 6 levied a contract tax of \$0.3500, MUD Nos. 7, 8 and 9 levied a contract tax of \$0.4800.

(j) Travis County Municipal Utility District Nos. 3, 4, 5, 6, 7 and 8 levied a contract tax of \$0.3500, MUD No. 9 levied a contract tax of \$0.4800.

(k) Travis County Municipal Utility District Nos. 3, 4, 5, 6, 7 and 8 levied a contract tax of \$0.3500, MUD No. 9 levied a contract tax of \$0.4636.

(l) Audited.

(m) Unaudited. Reflects collections through February 28, 2021. Taxes were due with no penalty by January 31, 2021.

Contract Tax

The Master District has the statutory authority and the authorization of each Participant's voters to issue unlimited contract tax bonds to purchase, construct, and improve Master District Facilities necessary to provide water, wastewater, and drainage facilities, including water quality facilities, to the Participants. Each Participant's pro rata share of the debt service requirements on the Bonds shall be determined by dividing each Participant's certified appraised value by the total certified appraised value within the Service Area. The Master District Contract obligates each Participant to pay its pro rata share of debt service requirements on the Bonds from the proceeds of an annual unlimited contract tax. The debt service requirement shall include principal, interest, and redemption requirements on the Bonds, paying agent/registrar fees, trustee fees, and all amounts necessary to establish and maintain funds established under a bond resolution or indenture. Pursuant to the Master District Contract each Participant is also authorized to levy a contract tax to pay for (i) operation and maintenance expenses of the Master District Facilities to the extent monthly charges are not available and (ii) expenses of the affected Participant in connection with the operation and retail billing and collecting of a Participant's internal water, wastewater and drainage facilities to the extent water, wastewater and drainage revenues from such internal facilities are insufficient. The contract tax levied by each Participant for the 2020 tax year to pay debt service on the Bonds and Outstanding Contract Bonds is \$0.35 per \$100 of total gross assessed valuation. Such contract tax may be increased to the extent necessary to pay a Participant's share of the operation and maintenance expenses of the Master District Facilities. See "INVESTMENT CONSIDERATIONS - Overlapping and Combined Tax Rates" and "APPENDIX A – Certain Financial Information Regarding the Participants."

Debt Service Tax

Each Participant, including the Master District, has the statutory authority to issue unlimited tax bonds for the purpose of providing internal water distribution, wastewater collection and storm drainage facilities to the land within its boundaries. Such bonds, if issued, will be payable from a continuing, annual ad valorem tax adequate to provide funds to pay the principal of and interest on such bonds. Such tax is in addition to the contract tax. See "APPENDIX A – Certain Financial Information Regarding the Participants" for information related to each Participant's historical tax data.

Maintenance Tax

The Board of Directors of each Participant has the statutory authority to levy and collect an annual ad valorem tax for maintenance purposes, including, but not limited to, funds for planning, constructing, maintaining, repairing, and operating all necessary land, plants, works, facilities, improvements, appliances, and equipment, if such maintenance tax is authorized by a vote of the Participant's electors. Such tax would be in addition to the contract tax and taxes levied for paying principal of and interest on any tax bonds which may be issued in the future by the Participant. At an election held on November 7, 1995, voters within each Participant authorized a maintenance tax not to exceed \$1.00/\$100 assessed valuation.

Overlapping Taxes for 2020

Overlapping Entity	Travis County MUD No.						
	3	4	5	6	7	8	9
Travis County	\$ 0.374359	\$ 0.374359	\$ 0.374359	\$ 0.374359	\$ 0.374359	\$ 0.374359	\$ 0.374359
Austin Independent School District	1.102700	1.102700	1.102700	1.102700	1.102700	1.102700	1.102700
Travis County ESD No. 3	0.079000	0.079000	0.079000	0.079000	0.079000	0.079000	0.079000
Travis County Healthcare District	0.110306	0.110306	0.110306	0.110306	0.110306	0.110306	0.110306
Austin Community College District	0.105800	0.105800	0.105800	0.105800	0.105800	0.105800	0.105800
District Tax Rate	0.469500	0.729600	0.579000	0.464600	0.908900	0.630000	0.827500
Total Tax Rate	\$ 2.241665	\$ 2.501765	\$ 2.351165	\$ 2.236765	\$ 2.681065	\$ 2.402165	\$ 2.599665

Average 2020 Tax Bill for Districts with Single Family Development

	Travis County MUD No.						
	3	4	5	6	7	8	9
Average Single Family Home Value	\$ 1,325,796	\$ -	\$ 1,908,587	\$ 2,494,668	\$ -	\$ 1,867,269	\$ 1,740,165
Travis County	\$ 4,963	\$ -	\$ 7,145	\$ 9,339	\$ -	\$ 6,990	\$ 6,514
Austin Independent School District	14,620	-	21,046	27,509	-	20,590	19,189
Travis County ESD No. 3	1,047	-	1,508	1,971	-	1,475	1,375
Travis County Healthcare District	1,462	-	2,105	2,752	-	2,060	1,920
Austin Community College District	1,403	-	2,019	2,639	-	1,976	1,841
District Tax Bill	6,225	-	11,051	11,590	-	11,764	14,400
	\$ 29,720	\$ -	\$ 44,874	\$ 55,800	\$ -	\$ 44,855	\$ 45,238

Principal Taxpayers – Table 7

The following list of principal taxpayers and their assessed valuations within the Service Area have been obtained from Master District audits and is based on the 2020, 2019, and 2018 tax rolls of each Participant, which reflect ownership as of January 1 of each year shown. Such values may differ from the original certified assessed valuation and any supplements or adjustments thereto, as supplied by the Travis Central Appraisal District. See APPENDIX A for a list of principal taxpayers in each Participant.

Taxpayer	Type Property	2020 ^(a)	2019 ^(a)	2018 ^(a)
Barton Creek Resort & Clubs Inc. ^(d)	Country Club and Resort	\$ 143,085,965	\$ 114,745,821	\$ 71,144,340
Santal I LLC	Apartment Complex	94,850,000	86,570,000	46,560,000
Barton Creek Villas LLC	Apartment Complex	53,300,000	52,130,000	49,300,000
Stratus Properties Operating Co., L.P	Acreage & Lots	28,068,154	37,809,693	51,719,519
Owners Club at Barton Creek LP	Interval Ownership Homes	8,699,405	8,699,405	8,807,240
Barton Creek Office Partners, LP	Strip Center	7,413,088	(b)	(b)
Individual Homeowner	Land & Improvements	6,609,899	7,800,000	8,362,363
Individual Homeowner	Land & Improvements	5,650,000	5,874,000	5,971,600
Individual Homeowner	Land & Improvements	5,627,300	5,627,300	5,942,352
Individual Homeowner	Land & Improvements	5,096,400	5,096,400	6,300,000
Heyl Homes Inc.	Land & Improvements	(b)	5,391,597	(b)
Villas at Amarra Drive LLC	Condominiums	(b)	(b)	7,025,035
Goggan Trust	Land & Improvements	(b)	(b)	(b)
Barton Creek Senior Living ^(c)	Retirement Center	(b)	(b)	(b)
		<u>\$ 358,400,211</u>	<u>\$ 329,744,216</u>	<u>\$ 261,132,449</u>
Percent of Assessed Valuation		23.83%	22.64%	19.32%

(a) Reflects classification of assessed valuation as obtained from the Master District audits prior to adjustments. Such value may differ from the original certified assessed valuation, and any supplements or adjustments thereto, as supplied by TCAD.

(b) Not a principal taxpayer in respective year.

(c) According to Senior Quality Living Corporation ("SQLC"), the owner of Barton Creek Senior Living Community, Inc. ("BCSLC"), doing business as Querencia, a continuing care retirement community, applied for and was granted a charitable organization tax-exemption, although there is a restrictive covenant that runs with the land that waives BCSLC's right to claim any tax exemption for Travis Co. MUD No. 3 until September 2035. Due to this, the TCAD removed Querencia from the tax rolls in the years 2015 through 2020. BCSLC has made payments to Travis County MUD No. 3 in amounts equal to the 2015, 2016, 2017, 2018, 2019 and 2020 taxes owed. Effective June 18, 2018, through 2036, BCSLC and the Master District have entered into a Payment in Lieu of Taxes Agreement ("PILOT") under which BCSLC has agreed to make annual payments in lieu of taxes based on an appraised value determined by an independent appraiser in accordance with the terms of the PILOT.

(d) The Service Area's largest taxpayer and a subsidiary of Omni Hotels Corp., Barton Creek Resort and Clubs Inc. is concentrated in the hospitality industry, which industry has been particularly susceptible to market downturns related to the COVID-19 Pandemic. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak (COVID-19)," "-Dependence on Principle Taxpayers" and "BARTON CREEK RESORT, LLC."

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Tax Adequacy for Debt Service

The calculations shown below assume, solely for purposes of illustration, no increase or decrease in aggregate assessed valuation from the aggregate 2020 Certified Assessed Valuation and 2021 Preliminary Assessed Valuation of the Service Area, and utilize tax rates adequate to service the Master District's total debt service requirements, on its contract tax bonds, including the Bonds. No available debt service funds are reflected in these computations. See "INVESTMENT CONSIDERATIONS - Impact on Contract Tax Rates."

Average Requirement on the Remaining Outstanding Contract Bonds (2021 through 2043).....	\$4,982,121
\$0.35 Tax Rate on the aggregate 2020 Certified Assessed Valuation of \$1,503,871,728 @ 95% collections produces	\$5000,373
\$0.32 Tax Rate on the aggregate 2021 Preliminary Assessed Valuation of \$1,687,104,270@ 95% collections produces	\$5,128,797
Maximum Requirement on the Remaining Outstanding Contract Bonds (2035).....	\$5,711,896
\$0.40 Tax Rate on the aggregate 2020 Certified Assessed Valuation of \$1,503,871,728 @ 95% collections produces	\$5,714,713
\$0.36 Tax Rate on the aggregate 2021 Preliminary Assessed Valuation of \$1,687,104,270@ 95% collections produces	\$5,769,897

TAXING PROCEDURES

Authority to Levy Taxes

The board of directors of each Participant is authorized to levy an annual ad valorem tax on all taxable property within its boundaries in an amount sufficient to pay the principal of and interest on the Bonds and Outstanding Contract Bonds, their pro rata share of debt service on any contract tax bonds and any additional bonds or obligations payable from taxes which the Master District may hereafter issue (see "INVESTMENT CONSIDERATIONS - Future Debt") and to pay the expenses of assessing and collecting such taxes. Each Participant agrees in the Master District Contract 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 of directors of each Participant is also authorized to levy and collect an ad valorem tax for the operation and maintenance of its district and its water and wastewater system and for the payment of certain contractual obligations, if authorized by its voters. See "TAX DATA – Contract Tax."

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the Participants and the Master 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" or "TCAD") has the responsibility for appraising property for all taxing units within Travis County, including the Master District. Such appraisal values are subject to review and change by the Travis Central Appraisal Review Board (the "Appraisal Review Board").

Property Subject to Taxation

General: Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the Master District are subject to taxation by the Master District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares, and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; travel trailers; and most individually owned automobiles. In addition, the Master District may by its own action exempt residential homesteads of persons sixty-five (65) years of age or older and of certain disabled persons to the extent deemed advisable by the Board. The Master District may be required to offer such an exemption if a majority of voters approve it at an election. The Master District would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the previous election. The Master District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the Master District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the Master District. Furthermore, the

Master District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between \$5,000 and \$12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse if such disability rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. 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 homestead 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 Participants have never adopted a general homestead exemption.

Tax Abatement: Travis County and the Participants may enter into tax abatement agreements with owners of real property within their respective boundaries. The tax abatement agreements may exempt from ad valorem taxation by the applicable taxing jurisdiction for a period of up to ten years, all, or any part of the 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 a comprehensive plan. To date, the Participants have not executed any abatement agreements.

Freeport Goods and Goods-in-Transit Exemption: Article VIII, Section 1-j of the Texas Constitution provides for an exemption from ad valorem taxation for "freeport property," which is defined as goods detained in the state for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabrication. Taxing units that took action prior to April 1, 1990 may continue to tax freeport property and decisions to continue to tax freeport property may be reversed in the future. However, decisions to exempt freeport property are not subject to reversal. In addition, effective for tax years 2008 and thereafter, Article VIII, Section 1-n of the Texas Constitution provides for an exemption from taxation for "goods-in-transit," which are defined as personal property acquired or imported into the state and transported to another location inside or outside the state within 175 days of the date the property was acquired or imported into the state. The exemption excludes oil, natural gas, petroleum products, aircraft, and special inventory, including motor vehicle, vessel and outboard motor, heavy equipment, and manufactured housing inventory. After holding a public hearing, a taxing unit may take action by January 1 of the year preceding a tax year to tax goods-in-transit during the following tax year. A taxpayer may obtain only a freeport exemption or a goods-in-transit exemption for items of personal property. Freeport goods and goods-in-transit are exempt from taxation by the Master District.

Temporary Exemption for Qualified Property Damaged by a Disaster: 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% 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 Master District, adopting its tax rate for the tax year. A taxing unit, such as the Master 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 by 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. There is currently no judicial precedent for how the statute will be applied but Texas Attorney General Opinion KP-0299, issued on April 13, 2020, concluded a court would likely find the Texas Legislature intended to limit the temporary tax exemption to apply to property physically harmed as a result of a declared disaster.

Valuation of Property for Taxation

Generally, property in the Service Area must be appraised by the TCAD at market value as of January 1 of each year. Once an appraisal roll is prepared and formally approved by the Appraisal Review Board, it is used by each Participant in establishing its tax rolls and tax rate. 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.

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 fair 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 that such property would bring if sold as a unit to a purchaser who would continue the business. 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 Participant can collect taxes based on the new use, including taxes for the previous three years for agricultural use and taxes for the previous five years for open space land and timberland.

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

Participant and Taxpayer Remedies

Under certain circumstances taxpayers and taxing units (such as the Participants), 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 TCAD to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the Participant and provides for taxpayer referenda which 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 values, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The Participants are responsible for the levy and collection of its taxes unless it elects to transfer the collection functions to another governmental entity. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the board of directors of each Participant based upon the valuation of property within the Participant as of the preceding January 1. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. 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 of up to fifteen percent (15%) if imposed by the Participant. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances.

The Participant'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

Certain qualified taxpayers, including owners of residential homesteads, located within a natural disaster area and whose property has been damaged as a direct result of the disaster, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the Participants if the tax payer 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.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies municipal utility districts differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a 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 herein as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all land, 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 are classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

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

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, plus any unused increment rates, as calculated and described in Section 26.013 of the Texas Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.035 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions, 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: The qualified voters of Developing Districts, upon a Developing District's adoption of 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 in the district, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If an election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

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

Rights In the Event Of Tax Delinquencies

Taxes levied by the Participants are a personal obligation of the owner of the property on 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 Participants, having power to tax the property. The Participant's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL STATEMENT - Overlapping Taxes for 2020". 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 a Participant 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 Participant may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the Participant 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 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 years 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. See "INVESTMENT CONSIDERATIONS - General - Tax Collections and Foreclosure Remedies."

Effect of FIRREA on Tax Collections

The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA") contains provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary lien shall attach to such property, (ii) the FDIC shall not be liable for any penalties or fines, including those arising from the failure to pay any real property taxes when due and (iii) notwithstanding the failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

To the extent that the FIRREA provisions are valid and applicable to any property in the Master District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property owned by the FDIC in the Master District, and may prevent the collection of penalties and interest on such taxes.

MANAGEMENT

Board of Directors

The board of directors of Travis County Municipal Utility District No. 4 also serves in the role as the board of directors of the Master District. The board of directors, consisting of five directors, has control over and management supervision of all affairs of the Master District. Directors' terms are four years with elections held within the Master District on the first Tuesday after the first Monday in November in each even numbered year. All of the Directors own property in the Master District.

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Length of Service</u>
Doug Connolly	President	2024	22 ½ Years
Bill Schneider	Vice President	2022	22 ½ Years
H. Edward Padgett, Jr.	Treasurer	2022	23 ½ Years
Wayne Basden	Secretary	2024	14 ½ Years
Daniel Dukes	Assistant Secretary/Treasurer	2024	7 ½ Years

MASTER DISTRICT CONSULTANTS

Tax Assessor/Collector

Land and improvements in the Master District are being appraised for taxation by the Travis Central Appraisal District. The Tax Assessor/Collector is appointed annually by the Board of Directors of the Master District. Bruce Elfant currently serves the Master District in this capacity under contract.

Operator

The Master District contracts with Crossroads Utility Services, Inc. ("Crossroads") to serve as operator of the Master District Facilities and operator of each Participant's internal facilities. Crossroads serves in a similar capacity for 33 other special districts in the Austin metropolitan area.

Bookkeeper

Bott & Douthitt, P.L.L.C. ("B&D"), Certified Public Accountants, is charged with the responsibility of providing bookkeeping services for the Master District. B&D serves in a similar capacity for 90 special districts.

Engineer

The Master District's consulting engineer is Murfee Engineering Company (the "Engineer"). Such firm serves as consulting engineer to 20 other special districts.

Financial Advisor

Public Finance Group LLC serves as the Master District's financial advisor (the "Financial Advisor"). The fee for services rendered in connection with the issuance of the Bonds is based on the percentage of the Bonds actually issued, sold, and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds. Public Finance Group LLC also serves as financial advisor to each of the Participants.

Bond Counsel and Disclosure Counsel

The Master District has engaged McCall Parkhurst & Horton L.L.P., Austin, Texas as Bond Counsel and Disclosure Counsel. The fees of Bond Counsel and Disclosure Counsel are contingent upon the sale and delivery of the Bonds. McCall Parkhurst & Horton L.L.P. also serves as bond counsel to each of the Participants.

General Counsel

The Master District employs Armbrust & Brown PLLC ("A&B") as general counsel. A&B also acts as general counsel to each of the Participants and serves as counsel to Stratus Properties. The fees of A&B related to the Bonds are contingent upon the sale and delivery of the Bonds.

ANNEXATION

The Master District and each of the other Participants lie wholly within the extraterritorial jurisdiction of the City of Austin. Under Texas law generally, a district may be annexed by the city in whose extraterritorial jurisdiction the district is located. However, the act which created the Master District and the other Participants (the "Enabling Legislation") provides that a municipality may annex a Participant only after the installation of ninety percent (90%) of all works, improvements, facilities, plants, equipment and appliances necessary and adequate to (1) provide service to the proposed development within the Participant's boundaries, (2) accomplish the purposes for which the Participant was created, and (3) exercise the powers provided by the general law of the State and the Act; or the expiration of twenty (20) years from the date the district was confirmed, whichever occurs first. The twenty-year anniversary of the confirmation of the Participants occurred on November 7, 2015. However, the Texas Legislature enacted new legislation, effective December 1, 2017 ("Senate Bill 6"), that revised Texas law regarding annexation and specifically revised the Enabling Legislation for each of the Participants regarding annexation. The amendment to the Enabling Legislation by Senate Bill 6 provides that the City of Austin may only annex one or more of the Participants if such proposed annexation has been approved by a majority of those voting in an election held for that purpose within all of the Participants and Water Control and Improvement District No. 19. The election must be held in all such districts even if the annexation is proposed for all of the districts. Further, under Texas law, the City of Austin cannot annex territory within a district unless it annexes the entire district. See "THE BONDS – Annexation and Consolidation."

LEGAL MATTERS

Legal Opinions

The Master District will furnish the Underwriter a transcript of certain proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of the State of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and legally binding obligations of the Master District. The Master District will also furnish the approving legal opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Master District to the effect that (i), based upon an examination of such transcript, the Bonds are valid and legally binding obligations of the Master District under the Constitution and the laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the registered owners of the Bonds may be limited by laws relating to governmental immunity, bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Master District and (ii) the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein. See "APPENDIX B - Form of Bond Counsel Opinion." Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement under the captions "SALE AND DISTRIBUTION OF BONDS – Securities Laws," "PLAN OF FINANCING – Escrow Agreement," "THE BONDS" (except for the subcaptions "DTC Redemption Provisions," "Payment Record" and "Remedies in Event of Default"), "LEGAL MATTERS" (except for the last sentence of the first paragraph hereof and the subcaption "No-Litigation Certificate"), "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subcaption "Compliance with Prior Undertakings") and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein, is correct as to matters of law, and, with respect to the Bonds, such information conforms to the provisions of the Bond Resolution. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds. The applicable legal opinion will accompany the Bonds deposited with DTC or will be

printed on or attached to the Bonds in the event of discontinuance of the Book-Entry-Only System. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the Master District. Certain legal matters will be passed upon for the Underwriter by their counsel, Orrick, Herrington & Sutcliffe, LLP, Austin, Texas.

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 Litigation Certificate

The Master District will furnish to the Underwriter a certificate, dated as of the date of delivery of the Bonds, executed by both the President and Secretary of the Board, to the effect that no litigation of any nature has been filed or is then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Bonds; or affecting the validity of the Bonds.

VERIFICATION OF ESCROW SUFFICIENCY AND YIELDS

Public Finance Partners LLC will deliver to the Master District, on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities, if any, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds.

Public Finance Partners LLC relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the Master District. In addition, Public Finance Partners LLC has relied on any information provided to it by the Master District's retained advisors, consultants, or legal counsel.

The report will be relied upon by Bond Counsel in rendering its opinion with respect to the defeasance of the Refunded Bonds.

TAX MATTERS

Opinion

On the Date of Delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law") (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any other federal, state, or local tax consequences of the purchase, ownership, or disposition of the Bonds. See "APPENDIX B -- Form of Bond Counsel Opinion."

In rendering its opinion, Bond Counsel will rely upon (a) certain information and representations of the Master District, including information and representations contained in the Master District's federal tax certificate, (b) the verification report, and (c) covenants of the Master District contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the Master District to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for the interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included to gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the Master District with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations, and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership, or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the Master District with respect to the Bonds or the property financed or refinanced with the proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of

the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Master District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds is less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

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

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the 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 Original Issue Discount 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 (a) 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 (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

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

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions accumulated, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under Section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership, or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates, and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligation, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate" issuers) who issues no more than \$10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

The Master District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code. In furtherance of that designation, the Master District has covenanted to take such action that would assure, or to refrain from such action that would adversely affect, the treatment of the Bonds as "qualified tax-exempt obligations." **Potential purchasers should be aware that if the issue price to the public exceeds \$10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of \$10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the \$10,000,000 limitation and the Bonds would not be "qualified tax-exempt obligations."**

CONTINUING DISCLOSURE OF MASTER DISTRICT INFORMATION

In the Bond Resolution, the Master District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Master 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 Master District will be obligated to provide certain updated financial information and operating data annually, and

timely notice of certain specified events to the Municipal Securities Rulemaking Board ("MSRB"). Information will be available free of charge by the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

Annual Reports

The Master District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the Master District of the general type included in this Official Statement under Tables 1 through 7 and in Appendices A and B, if such audited financial statements in Appendix B are then available. The Master District will update and provide this information within six months after the end of each fiscal year. The Master District will provide the updated information to the MSRB.

The Master District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements if it is completed by the required time. If audited financial statements are not available within twelve months after such fiscal year end, the Master District will file unaudited financial statements within such twelve month period and file audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix A or such other accounting principles as the Master District may be required to employ from time to time pursuant to state law or regulation.

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

Notice of Certain Events

The Master 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 Master 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 Master District or other obligated person within the meaning of CFR § 240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the Master District or other obligated person within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule") or the sale of all or substantially all of the assets of the Master District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an 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 (as defined by the Rule, which includes certain debt, debt-like, and debt-related obligations) of the Master 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 Master District or other obligated person, any of which affect security holders, 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 Master District or other obligated person, any of which reflect financial difficulties.

For these purposes, any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Master District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Master District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Master District in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Master District.

For the purposes of the events described in clauses (15) and (16) of the immediately preceding paragraph, the term "Financial Obligation" is defined in the Bond Resolution to mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The Bond Resolution further provides that the Master District intends the words used in such clauses (15) and (16) in the immediately preceding paragraph and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

Availability of Information from MSRB

The Master District has agreed to provide the foregoing information only to the MSRB. All documents provided by the Master District to the MSRB described above under “Annual Reports” and “Notice of Certain Events” will be in an electronic format and accompanied by identifying information as prescribed by the MSRB.

The address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, VA 22314, and its telephone number is (703) 797-6600.

Limitations and Amendments

The Master District has agreed to update information and to provide notices of certain events only as described above. The Master 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 Master 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 Master 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 owners may seek a writ of mandamus to compel the Master District to comply with its agreement.

This continuing disclosure agreement may be amended by the Master District 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 type of operations of the Master District, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of the Bond Resolution that authorizes such an amendment) of the Outstanding Contract Bonds consent to such amendment or (b) a person that is unaffiliated with the Master District (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered and beneficial owners of the Bonds. The Master District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertakings

For the last five years, the Master District has complied in all material respects with its continuing disclosure undertakings in accordance with SEC Rule 15c2-12.

CONTINUING DISCLOSURE OF PARTICIPANT INFORMATION

Each Participant has executed a Continuing Disclosure Agreement with the Master District for the benefit of the holders and beneficial owners of the Bonds. Each Continuing Disclosure Agreement requires the respective Participant to annually provide certain information under such agreement for so long as it remains an obligated person with respect to the Bonds, within the meaning of the Rule. Under the Continuing Disclosure Agreement, each Participant will be obligated to provide certain financial information and operating data with respect to its financial and operating condition. This information will be available via the EMMA system at www.emma.msrb.org.

Annual Reports

Each Participant will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to each Participant to-wit: (i) annual audited financial statements of each Participant, if such audited financial statements are then available, and (ii) the information contained in Appendix A hereto that relates to each respective Participant. Each Participant will update and provide this information within six months after the end of each fiscal year to the MSRB.

Each Participant may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements if it is completed by the required time. If audited financial statements are not available within twelve months after any such fiscal year end, each Participant will file unaudited financial statements within such twelve month period and file audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with such accounting principles as each Participant may be required to employ from time to time pursuant to state law or regulation.

Each Participant’s current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 of each year, unless a Participant changes its fiscal year. If a Participant changes its fiscal year, it will notify MSRB of the change.

Notice of Certain Events

Each Participant 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 Participant 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 Participant or other obligated person within the meaning of CFR § 240.15c2-12 (the “Rule”); (13) consummation of a merger, consolidation, or acquisition involving the Participant or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the Participant or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an 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 (as defined by the Rule, which includes certain debt, debt-like, and debt-related obligations) of the Participant 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 Participant or other obligated person, any of which affect security holders, 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 Participant or other obligated person, any of which reflect financial difficulties.

For these purposes, any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Participant in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Participant, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Participant in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Participant.

For the purposes of the events described in clauses (15) and (16) of the immediately preceding paragraph, the term “Financial Obligation” is defined in the Bond Resolution to mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The Bond Resolution further provides that the Participant intends the words used in such clauses (15) and (16) in the immediately preceding paragraph and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

Availability of Information

Information agreed to be provided by any Participant upon request may be obtained by contacting the Participant c/o Armbrust & Brown PLLC, 100 Congress, Suite 1300, Austin, Texas 78701, Attention: Gregg Krumme (telephone no. (512) 435-2300; facsimile no. (512) 435-2360). Information provided to the MSRB will be available via the EMMA system at www.emma.msrb.org. The address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, VA 22314, and its telephone number is (703) 797-6600.

Limitations and Amendments

The Participants have agreed to provide updated information and notices of certain events only as described above. The Participants have not agreed to provide other information that may be relevant or material to a complete presentation of the financial results of operations, condition, or prospects of the Participants or agreed to update any information that is provided, except as described above. The Participants make 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 Participants disclaim 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 holders of Bonds may seek a writ of mandamus to compel the Participants to comply with its agreement.

The Participants and the Master District may amend their continuing disclosure agreement 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 type of operations of the Participants, if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule and either the holders of a majority in aggregate principal amount of the Outstanding Contract Bonds consent or any person unaffiliated with the Master District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interest of the beneficial owners of the Bonds. The Participants and the Master District may also amend or repeal the agreement 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 in the Participants' discretion under any other circumstance, but in either case only if and to the extent that reserving the right to do so does not make unlawful the Underwriter's purchase and sale of the Bonds in the offering described herein. If the Participants and the Master District amend their agreements, it must include with the next financial information and operating data 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 information and data provided.

Compliance with Prior Agreements

During the past five years, the Participants have complied in all material respects with all continuing disclosure agreements made by them in accordance with the Rule.

FINANCIAL ADVISOR

The Official Statement was compiled and edited under the supervision of Public Finance Group LLC (the "Financial Advisor"), which firm was employed in 2014 as Financial Advisor to the Master District. The fees paid the Financial Advisor for services rendered in connection with the issuance and sale 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.

OFFICIAL STATEMENT

Preparation

The information in this Official Statement was compiled and edited by the Financial Advisor. In addition to compiling and editing such information, the Financial Advisor has obtained the information set forth herein under the captions indicated from the following sources:

"THE BARTON CREEK DEVELOPMENT" and "THE MASTER DISTRICT" and "PARTICIPANTS IN CURRENT SERVICE AREA" - Stratus Properties Operating Co. ("Stratus Properties"), Murfee Engineering Company ("Engineer"), Austin Independent School District, and various area commercial and retail establishments; "THE DEVELOPER" - Stratus Properties; "BARTON CREEK RESORT, LLC" - Barton Creek Resort, LLC; "MASTER DISTRICT FACILITIES" - Engineer; "MASTER DISTRICT FACILITIES - Wholesale Service Agreements" - Armbrust & Brown PLLC; "COMPOSITE FINANCIAL STATEMENT - TABLE 4" - Travis Central Appraisal District; "TAX DATA" and "MASTER DISTRICT FACILITIES - Operations" - Audits and Records of the Master District; "MANAGEMENT" - Master District Directors; "DEBT SERVICE REQUIREMENTS - TABLE 3" - Financial Advisor; and "THE BONDS," "SUMMARY OF CERTAIN DOCUMENTS," "TAXING PROCEDURES," "LEGAL MATTERS" (except the last two sentences of the second paragraph thereof), "TAX MATTERS," "CONTINUING DISCLOSURE OF MASTER DISTRICT INFORMATION" and "CONTINUING DISCLOSURE OF PARTICIPANT INFORMATION" - McCall, Parkhurst & Horton L.L.P.

Consultants

In approving this Official Statement, the Master District has relied upon the following consultants in addition to the Financial Advisor.

The Engineer: The information contained in the Official Statement relating to engineering matters and to the description of the Master District water, wastewater, and drainage facilities and, in particular, that information included in the section entitled "MASTER DISTRICT FACILITIES," has been provided by Murfee Engineering Company, and has been included in reliance upon the authority of said firm in the field of civil engineering.

Auditor: The Master District's financial statements for the fiscal year ended September 30, 2020 were prepared by McCall Gibson Swedlund Barfoot P.L.L.C., Certified Public Accountants. See "APPENDIX B" for a copy of the Master District's September 30, 2020 audited financial statements.

Appraisal District: The information contained in this Official Statement relating to the certified assessed valuation of property in the Master District and, in particular, such information contained in the section captioned "COMPOSITE FINANCIAL STATEMENT - TABLE 4," has been provided by the Travis Central Appraisal District, in reliance upon their authority in the field of appraising and tax assessing.

Tax Assessor/Collector: The information contained in this Official Statement relating to tax collection rates, and principal taxpayers has been provided by Mr. Bruce Elfant in reliance upon his authority in the field of tax assessing and collecting.

Annual Audits

Under Texas Law, the Master District must keep its fiscal records in accordance with generally accepted accounting principles, must have its financial accounts and records audited by a certified or permitted public accountant within 120 days after the close of each fiscal year of the Master District, and must file each audit report with the TCEQ within 135 days after the close of the fiscal year. Copies of each audit report must also be filed in the office of the Master District. The Master District's fiscal records and audit reports are available for public inspection during regular business hours, and the Master District is required by law to provide a copy of the Master District's audit reports to any registered owner or other member of the public within a reasonable time on request, upon payment of prescribed charges.

This Official Statement was approved by the Board of Directors of Travis County Municipal Utility District No. 4 in their role as the Master District, as of the date shown on the first page hereof.

/s/ Doug Connolly

President, Board of Directors

Travis County Municipal Utility District No. 4

/s/ Wayne Basden

Secretary, Board of Directors

Travis County Municipal Utility District No. 4

PHOTOGRAPHS

The following photographs were taken in the Service Area. The homes and commercial establishments shown in the photographs are representative of the type of construction presently located within the Master District, and these photographs are presented solely to illustrate such construction. The Master District makes no representation that any additional construction such as that as illustrated in the following pages will occur in the Service Area. See "THE MASTER DISTRICT."









APPENDIX A

Certain Financial Information Regarding the Participants

Selected information concerning the Participants is included in this Appendix in addition to certain general information concerning the Participants and their obligation under the Master District Contract. See "PARTICIPANTS IN CURRENT SERVICE AREA" and "SUMMARY OF CERTAIN DOCUMENTS - Master District Contract" therein. Each Participant is severally liable for its Pledged Contract Payments in an amount equal to its pro rata share of debt service requirements on the Bonds and Outstanding Contract Bonds. No Participant is liable for more than its share of such debt service. Consequently, the ability of the Master District to make timely payment of principal of and interest on the Bonds and Outstanding Contract Bonds would be impaired if any Participant became unable to make its Pledged Contract Payments in full when due, unless the year-end balance of the Debt Service Fund or Reserve Fund of the Master District exceeded the amount of such Participant's deficiency. See "SELECTED FINANCIAL INFORMATION – Master District Available Funds, footnotes (c) and (d)"; "THE BONDS – Source of and Security for Payment," "–Pledged Contract Payments by the Participants," and "–Funds"; and "SUMMARY OF CERTAIN DOCUMENTS – Trust Indenture."

Certain Calculations

The information concerning the debt structure of the Participants makes reference to the principal amount of each Participant's pro rata share of debt service on the Bonds and Outstanding Contract Bonds, each Participant's outstanding unlimited tax bonds, if any, and certain annual tax rate calculations. In each case, this information has been computed as follows:

Contract Debt - The principal amount of each Participant's Master District Contract debt has been calculated for purposes of analysis by allocating the principal amount of the Bonds among the Participants in proportion to their assessed valuation. The assessed valuations are based on the 2020 Certified Assessed Valuation of each Participant of the Service Area of \$1,504,062,191. A Participant's share of annual debt service requirements on the Bonds and Outstanding Contract Bonds will be determined annually be reference to their relative certified assessed valuations as of January 1 established by the Travis Central Appraisal District.

Tax Rate Calculations - Tax rate calculations assume that each Participant's assessed valuation does not increase from its 2020 Certified Assessed Valuation a, that each Participant collects ninety-five percent (95%) of the taxes it levies, that it issues no additional bonds, and that the Master District does not issue any additional unlimited contract tax bonds. Average annual debt service requirements for each Participant are calculated from 2020 through the final year of maturity for the unlimited tax bonds issued by the Participant. Master District Contract debt payments are calculated by averaging the payments to be made annually from 2021 through 2043 and assuming that each Participant's percentage share of the debt service on the Bonds and Outstanding Contract Bonds does not change.

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TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

The chart below reflects the status of development (as of March 1, 2021):

Section	Net Acreage	Platted Lots			Completed Units			Under Construction		Vacant Lots	
		Other	Single Family	Detached Condo	Single Family	Detached Condo	Multi- Family	Single Family	Detached Condo	Single Family	Detached Condo
A. Developed with Utility Facilities											
The Woods II	79.91	-	73	-	66 ^(a)	-	-	-	-	3	-
The Fairways	24.42	-	-	49 ^(b)	-	49	-	-	-	-	-
North Rim	60.61	-	18	-	17	-	-	-	-	1	-
Barton Creek Villas	24.53	216.00 ^(c)	-	-	-	-	216	-	-	-	-
ABC Mid./ Woods III	66.06	-	73	-	72	-	-	1	-	-	-
The Pointe	73.42	-	-	65 ^(d)	-	65	-	-	-	-	-
Governor's Hill	31.39	- ^(e)	-	44	-	44	-	-	-	-	-
Gateway South	6.38	-	1	-	1	-	-	-	-	-	-
SWACS/St. Gabriel's Schoc	31.35	1.00 ^(f)	-	-	-	-	-	-	-	-	-
Section H-3	19.05	-	3	-	-	-	-	-	-	3	-
ABC West Ph. 1	149.16	- ^(g)	75	-	74	-	-	-	-	1	-
ABC West Ph. 2	120.24	-	47 ^(h)	-	47	-	-	-	-	-	-
Barton Creek Retail	8.00	3.00	-	-	-	-	-	-	-	-	-
Verano Drive	103.29	-	72	-	66 ⁽ⁱ⁾	-	-	2	-	-	-
Querencia	27.84	168.00 ^(j)	-	-	-	-	-	-	-	-	-
	825.65	388	362	158	343	158	216	3	-	8	-
B. Remaining Undeveloped but Developable Acreage											
	-										
C. Undevelopable Acreage											
	28.37										
Total Acreage	854.02										

(a) Includes 4 homes built on two lots each.

(b) Platted as one lot, but developed as detached condominium units/patio homes with 49 units.

(c) Barton Creek Villas, platted as one lot, is a multi-family development apartment complex with 216 total units with a living unit equivalency of 175.

(d) Platted as one lot, but developed as 65 detached condominium units/patio homes and one gatehouse.

(e) Platted as two lots, one of which is a single family residence and the other of which is currently being developed as 44 detached condominium units/patio homes.

(f) Developed by Southwest Austin Catholic School, a Texas nonprofit corporation, as a private school for grades K through 8. The school opened in September 1999.

(g) Includes 75 single family lots and 5 commercial/multifamily lots. The 5 commercial/multifamily lots have been developed with utility facilities.

(h) Includes 41 single family lots and 6 estate lots.

(i) Includes one completed home on three lots and two completed home on two lots.

(j) Senior living facility.

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Selected Financial Information

2020 Certified Assessed Valuation	\$720,774,910 ^(a)
2021 Preliminary Assessed Valuation.....	\$778,619,550 ^(a)

Outstanding Debt	Gross Debt	Average Annual Debt	Maximum Annual Debt
Direct Obligations of MUD No. 3 ^(b)	\$ 2,910,000	\$ 631,065	\$ 877,850
Contract Unlimited Tax ^(c)	39,140,361	2,387,829	2,737,595
	\$ 42,050,361	\$ 3,018,894	\$ 3,615,445

(a) As provided by the Travis Central Appraisal District ("TCAD").

(b) Debt issued by Travis Co. MUD No. 3 to acquire or construct internal facilities. See "Bonds Authorized but Unissued" below.

(c) Travis Co. MUD No. 3's pro rata share of the Remaining Outstanding Contract Bonds based upon the Service Area's Certified Assessed Valuation of \$1,503,871,728 for 2020, provided by TCAD.

Ratio of Gross Debt to 2020 Certified Assessed Valuation	5.83%
Ratio of Gross Debt to 2021 Preliminary Assessed Valuation	5.40%

Fund Balances as of April 26, 2021

General Operating Fund	\$ 1,853,581
Special Revenue Fund	10,590
Debt Service Fund	1,249,022

Tax Information

	<u>District</u>	<u>Contract</u>	<u>Total</u>
Tax Rate required to pay Average Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.0922	\$ 0.3487	\$ 0.4409 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.1282	\$ 0.3998	\$ 0.5280 /\$100 AV
Tax Rate required to pay Average Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.0853	\$ 0.3228	\$ 0.4081 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.1187	\$ 0.3701	\$ 0.4888 /\$100 AV

Tax Rate Distribution

Tax Rate Distribution	2020	2019	2018	2017	2016	2015
Debt Service	\$ 0.0905	\$ 0.0950	\$ 0.1016	\$ 0.1088	\$ 0.1170	\$ 0.1212
Maintenance	0.0290	0.0245	0.0236	0.0227	0.0145	0.0113
Contract	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
Total	\$ 0.4695	\$ 0.4695	\$ 0.4752	\$ 0.4815	\$ 0.4815	\$ 0.4825

Tax Collections

Tax Year	Assessed Valuation	Tax Rate	Tax Levy	Current Collections		Total Collections		Tax Year Ending
				Amount	Percent	Amount	Percent	
1998	\$ 52,249,950	\$ 0.9000	\$ 470,250	\$ 469,092	99.75%	\$ 469,092	99.75%	9/30/1999 ^(a)
1999	118,664,113	0.7409	879,182	879,181	100.00%	880,166	100.11%	9/30/2000 ^(a)
2000	176,448,284	0.6321	1,115,330	1,107,322	99.28%	1,107,322	99.28%	9/30/2001 ^(a)
2001	250,598,731	0.6241	1,563,987	1,546,261	98.87%	1,548,951	99.04%	9/30/2002 ^(a)
2002	28,598,916	0.6100	1,748,253	1,733,864	99.18%	1,749,231	100.06%	9/30/2003 ^(a)
2003	281,990,164	0.5950	1,677,841	1,659,140	98.89%	1,670,489	99.56%	9/30/2004 ^(a)
2004	292,492,429	0.5792	1,698,837	1,673,876	98.53%	1,678,604	98.81%	9/30/2005 ^(a)
2005	310,978,712	0.5692	1,795,715	1,792,823	99.84%	1,793,345	99.87%	9/30/2006 ^(a)
2006	371,053,170	0.5425	2,011,045	2,010,680	99.98%	2,015,289	100.21%	9/30/2007 ^(a)
2007	442,985,890	0.4950	2,317,703	2,309,251	99.64%	2,309,495	99.65%	9/30/2008 ^(a)
2008	506,662,831	0.4950	2,467,204	2,454,423	99.48%	2,464,906	99.91%	9/30/2009 ^(a)
2009	521,113,048	0.4950	2,578,689	2,566,096	99.51%	2,568,503	99.60%	9/30/2010 ^(a)
2010	482,258,086	0.5000	2,410,645	2,387,507	99.04%	2,393,332	99.28%	9/30/2011 ^(a)
2011	484,392,692	0.5200	2,516,613	2,488,258	98.87%	2,503,828	99.49%	9/30/2012 ^(a)
2012	507,558,298	0.5200	2,635,953	2,616,272	99.25%	2,640,599	100.18%	9/30/2013 ^(a)
2013	537,525,303	0.5000	2,688,375	2,685,258	99.88%	2,723,625	101.31%	9/30/2014 ^(a)
2014	569,865,024	0.4841	2,759,670	2,751,205	99.69%	2,753,788	99.79%	9/30/2015 ^(a)
2015	585,157,556	0.4825	2,823,653	2,804,719	99.33%	2,810,843	99.55%	9/30/2016 ^(a)
2016	631,181,777	0.4815	3,039,658	3,026,107	99.55%	3,027,937	99.61%	9/30/2017 ^(a)
2017	674,647,285	0.4815	3,248,650	3,242,309	99.80%	3,272,805	100.74%	9/30/2018 ^(a)
2018	703,557,521	0.4752	3,343,305	3,332,012	99.66%	3,332,012	99.66%	9/30/2019 ^(a)
2019	723,191,014	0.4695	3,395,382	3,375,010	99.40%	3,375,010	99.40%	9/30/2020 ^(a)
2020	720,774,910	0.4695	3,384,937	3,298,708	97.45%	3,298,708	97.45%	9/30/2021 ^(b)

(a) Audited

(b) Unaudited; reflects tax collections through February 28, 2021. Taxes were due with no late penalty by January 31, 2021.

Principal Taxpayers

Principal Taxpayers	Type Property	2020	2019	2018
Barton Creek Villas LLC	Apartments	\$ 53,300,000	\$ 52,130,000	\$ 49,300,000
Barton Creek Office Partners, LP	Strip Center	7,413,088	-	-
The 1204 Austin Trust	Land & Improvements	3,250,000	3,495,600	4,484,057
Rama Management Trust	Land & Improvements	3,218,300	3,286,700	3,748,174
Deepam Home LLC	Land & Improvements	3,087,300	-	-
Individual Homeowners	Land & Improvements	18,936,558	29,409,658	34,240,611
Barton Creek Senior Living ^(a)	Land & Improvements	(a)	(a)	(a)
		\$ 89,205,246	\$ 88,321,958	\$ 91,772,842
Percent of Assessed Valuation		12.38%	12.21%	13.04%

(a) According to Senior Quality Living Corporation ("SQLC"), the owner of Barton Creek Senior Living Community, Inc. ("BCSLC"), doing business as Querencia, a continuing care retirement community, applied for and was granted a charitable organization tax-exemption, although there is a restrictive covenant that runs with the land that waives BCSLC's right to claim any tax exemption for Travis Co. MUD No. 3 until September 2035. Due to this, the TCAD removed Querencia from the tax rolls in the years 2015 through 2020. BCSLC has made payments to Travis County MUD No. 3 in amounts equal to the 2015, 2016, 2017, 2018, 2019 and 2020 taxes owed. Effective June 18, 2018, through 2036, BCSLC and the Master District have entered into a Payment in Lieu of Taxes Agreement ("PILOT") under which BCSLC has agreed to make annual payments in lieu of taxes based on an appraised value determined by an independent appraiser in accordance with the terms of the PILOT.

Bonds Authorized But Unissued

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/7/1995	Water, Wastewater & Drainage	\$ 27,000,000	\$ 11,110,000	\$ 15,890,000
11/7/1995	Refunding ^(a)	40,500,000 ^(a)	814,108	39,685,892

- (a) The proposition authorized the Participant to issue refunding bonds in an amount not to exceed one and one-half times the amount of bonds or other obligations issued, assuming that the total amount of bonds authorized by the voters is issued, which equals \$40,500,000. To the extent the par amount of the refunding bonds exceeds the par amount of the refunded bonds the difference is counted against the refunding authorization. Additionally, any net premium received by the Participant from the sale of refunding bonds after deducting Underwriter's discount is also counted against the Participant's refunding authorization. The Participant issued \$2,540,000 Unlimited Tax Refunding Bonds, Series 2003, which did not use any of the Participant's authorized refunding amount, \$3,115,000 Unlimited Tax Refunding Bonds, Series 2005, which used \$205,000 of the refunding bonds authorized, \$3,595,000 Unlimited Tax Refunding Bonds, Series 2011, which used \$208,659.75 of the refunding bonds authorized, \$2,050,000 Unlimited Tax Refunding Bonds, Series 2012, which used \$231,438.55 of the refunding bonds authorized, and \$2,690,000 Unlimited Tax Refunding Bonds, Series 2012A, which used \$169,010.15 of the refunding bonds authorized.

Estimated Overlapping Debt Statement

Taxing Body	Gross Debt		% of Overlapping Gross Debt	Amount of Overlapping Net Debt
	Amount	As of		
Travis County	997,735,000	4/30/2021	0.30%	\$ 2,993,205
Travis County ESD No. 3	1,130,000	4/30/2021	21.65%	244,645
Travis County Healthcare District	6,105,000	4/30/2021	0.30%	18,315
Austin Community College	386,255,000	4/30/2021	0.30%	1,158,765
Austin Independent School District	1,296,870,900	4/30/2021	0.48%	6,224,980
TOTAL ESTIMATED OVERLAPPING NET DEBT				\$ 10,639,910
Travis Co. MUD No. 3 (a)	\$ 42,050,361	6/3/2021	100.00%	\$ 42,050,361
TOTAL ESTIMATED DIRECT AND OVERLAPPING DEBT				\$ 52,690,272
Ratio of Estimated and Overlapping Debt to 2020 Certified Assessed Valuation				7.31%

- (a) Includes the direct debt of Travis County MUD No. 3 and Travis County MUD No. 3's pro rata share of the Remaining Outstanding Contract Bonds based upon the 2020 Certified Assessed Valuation.

Overlapping Taxes for 2020

Overlapping Entity	2020 Tax Rate Per	
	\$100 Assessed Valuation Travis County	Average Tax Bill ^(a) Travis County
Travis County	\$0.374359	\$ 4,963
Travis County ESD No. 3	0.079000	1,047
Travis County Healthcare District	0.110306	1,462
Austin Community College	0.105800	1,403
Austin Independent School District	1.102700	14,620
Travis Co. MUD No. 3	0.469500	6,225
Total	\$2.241665	\$ 29,720

- (a) Based upon the 2020 average single-family home value of \$1,325,796, as provided by TCAD.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

Status of Development

Development within Travis County Municipal Utility District No. 4 includes the Omni Barton Creek Resort and Spa which is located on approximately 492 acres. Omni Barton Creek Resort and Spa's property underwent an approximately \$150 million renovation that was completed in May 2019. The property consists of a 51,000 square foot renovated clubhouse, several restaurants, a conference center that includes 53 meeting rooms, a grand ballroom and event pavilion, a 493 room hotel, the Fazio Foothills 18-hole golf course, the Crenshaw 18-hole golf course, sports and tennis shops, a championship caliber tennis center that includes 10 lighted tennis courts, three swimming pools, a fitness center and spa, jogging trails, and a three-level parking garage. Omni Barton Creek Resort and Spa operates both as a private club open to members and their guests, and a resort hotel available to the public.

Selected Financial Information

2020 Certified Assessed Valuation \$151,484,236^(a)
 2021 Preliminary Assessed Valuation..... \$201,251,345^(a)

Outstanding Debt

Outstanding Debt	Gross Debt	Average Annual Debt	Maximum Annual Debt
Direct Obligations of MUD No. 4 ^(b)	\$ 560,000	\$ 156,228	\$ 158,425
Contract Unlimited Tax ^(c)	8,226,074	501,847	575,356
	\$ 8,786,074	\$ 658,074	\$ 733,781

(a) As provided by the Travis Central Appraisal District ("TCAD").

(b) Debt issued by Travis Co. MUD No. 4 to acquire or construct internal facilities. See "Bonds Authorized but Unissued" below.

(c) Travis Co. MUD No. 4's pro rata share of the Remaining Outstanding Contract Bonds based upon the Service Area's Certified Assessed Valuation of \$1,503,871,728 for 2020, provided by TCAD.

Ratio of Gross Debt to 2020 Certified Assessed Valuation 5.80%
 Ratio of Gross Debt to 2021 Preliminary Assessed Valuation 4.37%

Fund Balances as of May 3, 2021

General Operating Fund	\$ 2,681,978
Special Revenue Fund	9,303
Debt Service Fund	250,236

Tax Information

	<u>District</u>	<u>Contract</u>	<u>Total</u>
Tax Rate required to pay Average Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.1086	\$ 0.3487	\$ 0.4573 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.1101	\$ 0.3998	\$ 0.5099 /\$100 AV
Tax Rate required to pay Average Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.0817	\$ 0.2625	\$ 0.3442 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.0829	\$ 0.3009	\$ 0.3838 /\$100 AV

Tax Rate Distribution

Tax Rate Distribution	2020	2019	2018	2017	2016	2015
Debt Service	\$ 0.1200	\$ 0.1155	\$ 0.1560	\$ 0.0995	\$ 0.0941	\$ 0.1072
Maintenance	0.2596	0.2641	0.2236	0.2801	0.2855	0.2724
Contract	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
Total	\$ 0.7296	\$ 0.7296	\$ 0.7296	\$ 0.7296	\$ 0.7296	\$ 0.7296

Tax Collections

Tax Year	Assessed Valuation	Tax Rate	Tax Levy	Current Collections		Total Collections		Tax Year Ending
				Amount	Percent	Amount	Percent	
1996	\$ 25,299,100	\$ 0.6417	\$ 162,344	\$ 162,344	100.00%	\$ 162,344	100.00%	9/30/1997 ^(a)
1997	21,305,009	0.9500	202,388	202,388	100.00%	202,388	100.00%	9/30/1998 ^(a)
1998	19,513,027	0.9500	185,374	185,374	100.00%	185,374	100.00%	9/30/1999 ^(a)
1999	20,513,355	0.8589	176,189	176,189	100.00%	176,189	100.00%	9/30/2000 ^(a)
2000	40,036,271	0.8589	343,872	342,335	99.55%	342,335	99.55%	9/30/2001 ^(a)
2001	46,126,538	0.8589	396,181	396,181	100.00%	396,181	100.00%	9/30/2002 ^(a)
2002	63,808,411	0.7500	478,446	478,446	100.00%	478,446	100.00%	9/30/2003 ^(a)
2003	60,912,460	0.7316	445,662	445,662	100.00%	445,662	100.00%	9/30/2004 ^(a)
2004	62,731,800	0.6796	426,326	426,326	100.00%	426,326	100.00%	9/30/2005 ^(a)
2005	61,586,178	0.7264	447,508	447,508	100.00%	447,508	100.00%	9/30/2006 ^(a)
2006	61,801,749	0.6927	428,100	428,100	100.00%	428,100	100.00%	9/30/2007 ^(a)
2007	66,027,686	0.6927	457,372	457,372	100.00%	457,372	100.00%	9/30/2008 ^(a)
2008	67,428,386	0.6715	452,781	452,781	100.00%	452,781	100.00%	9/30/2009 ^(a)
2009	60,084,210	0.7296	438,375	438,375	100.00%	438,375	100.00%	9/30/2010 ^(a)
2010	53,625,479	0.7296	391,251	391,251	100.00%	391,251	100.00%	9/30/2011 ^(a)
2011	52,813,202	0.7296	385,324	385,324	100.00%	385,324	100.00%	9/30/2012 ^(a)
2012	58,045,418	0.7296	423,498	423,498	100.00%	423,498	100.00%	9/30/2013 ^(a)
2013	65,432,269	0.7296	477,392	477,392	100.00%	477,392	100.00%	9/30/2014 ^(a)
2014	72,567,178	0.7296	529,448	529,448	100.00%	529,448	100.00%	9/30/2015 ^(a)
2015	113,012,232	0.7296	844,693	844,693	100.00%	844,693	100.00%	9/30/2016 ^(a)
2016	99,346,884	0.7296	938,248	938,248	100.00%	938,248	100.00%	9/30/2017 ^(a)
2017	103,778,774	0.7296	757,170	757,160	100.00%	757,160	100.00%	9/30/2018 ^(a)
2018	79,723,722	0.7296	581,664	581,664	100.00%	581,664	100.00%	9/30/2019 ^(a)
2019	201,251,345	0.7296	895,432	895,432	100.00%	895,432	100.00%	9/30/2020 ^(a)
2020	151,484,236	0.7296	1,105,229	1,098,336	99.38%	1,098,336	99.38%	9/30/2021 ^(b)

(a) Audited

(b) Unaudited; reflects collections through February 28, 2021. Taxes were due with no late penalty by January 31, 2021.

Principal Taxpayers

Principal Taxpayers	Type Property	2020	2019	2018
Barton Creek Resort & Clubs Inc. ^(a)	Country Club & Resort	\$ 139,166,587	\$ 110,833,516	\$ 67,232,035
Owners Club at Barton Creek LP	Interval Ownership Houses	8,699,405	8,699,405	8,807,240
Omni Barton Creek Inc.	Golf Course	1,804,792	1,503,395	1,641,359
TCF National Bank	Personal Property	1,012,453	1,265,566	1,557,621
AT&T Mobility LLC	Cellular	157,459	207,147	149,240
Encore Event Technologies	Personal Property	299,402	30,753	98,987
Sprint Spectrum	Personal Property	95,841	-	-
Stratus Properties Operating Co., L.P.	Acreage & Lots	55,738	55,738	55,738
Brech Spradley Golf Academy LLC	Personal Property	-	23,225	-
The Stewart Organization Inc.	Personal Property	44,830	13,525	27,855
Modular Space Corporation	Personal Property	-	-	27,855
Cellco Partnership	Personal Property	73,669	55,827	71,878
		\$ 151,410,176	\$ 122,688,097	\$ 79,669,808
Percent of Assessed Valuation		99.95%	60.96%	99.93%

- (a) The Service Area's largest taxpayer and a subsidiary of Omni Hotels Corp., Barton Creek Resort and Clubs Inc. is concentrated in the hospitality industry, which industry has been particularly susceptible to market downturns related to the COVID-19 Pandemic. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak (COVID-19)," "-Dependence on Principle Taxpayers" and "BARTON CREEK RESORT, LLC."

Bonds Authorized But Unissued

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/7/1995	Water, Wastewater & Drainage	\$ 8,850,000	\$ 1,935,000	\$ 6,915,000
11/7/1995	Refunding ^(a)	13,275,000	1,750,000	11,525,000

- (a) The proposition authorized the Participant to issue refunding bonds in an amount not to exceed one and one-half times the amount of bonds or other obligations issued, assuming that the total amount of bonds authorized by the voters is issued, which equals \$13,275,000. To the extent the par amount of the refunding bonds exceeds the par amount of the refunded bonds the difference is counted against the refunding authorization. Additionally, any net premium received by the Participant from the sale of refunding bonds after deducting Underwriters' discount is also counted against the Participant's refunding authorization. The Participant's Unlimited Tax Refunding Bonds, Series 2007 did not use any refunding authorization.

Estimated Overlapping Debt Statement

Taxing Body	Gross Debt		% of Overlapping Gross Debt	Amount of Overlapping Net Debt
	Amount	As of		
Travis County	997,735,000	4/30/2021	0.05%	\$ 498,868
Travis County ESD No. 3	1,130,000	4/30/2021	4.11%	46,396
Travis County Healthcare District	6,105,000	4/30/2021	0.05%	3,053
Austin Community College	386,255,000	4/30/2021	0.05%	193,128
Austin Independent School District	1,296,870,900	4/30/2021	0.07%	907,810
TOTAL ESTIMATED OVERLAPPING NET DEBT				\$ 1,649,254
Travis Co. MUD No. 4 (a)	\$ 8,786,074	6/3/2021	100.00%	\$ 8,786,074
TOTAL ESTIMATED DIRECT AND OVERLAPPING DEBT				\$ 10,435,328
Ratio of Estimated and Overlapping Debt to 2020 Certified Assessed Valuation				6.89%

(a) Includes the direct debt of Travis County MUD No. 4 and Travis County MUD No. 4's pro rata share of the Remaining Outstanding Contract Bonds based upon the 2020 Certified Assessed Valuation.

Overlapping Taxes for 2020

Overlapping Entity	2020 Tax Rate Per \$100 Assessed Valuation Travis County
Travis County	\$0.374359
Travis County ESD No. 3	0.079000
Travis County Healthcare District	0.110306
Austin Community College	0.105800
Austin Independent School District	1.102700
Travis Co. MUD No. 4	0.729600
Total	<u>\$2.501765</u>

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Status of Development (as of March 1, 2021):

Section	Net Acreage	Platted Lots			Completed Units			Under Construction		Vacant Lots	
		Other	Single	Detached	Single	Detached	Multi-	Single	Detached	Single	Detached
			Family	Condo	Family	Condo	Family	Family	Condo	Family	Condo
A. Developed with Utility Facilities											
Calera Court	15.34	-	-	16	-	16	-	-	-	-	-
Golf Course	255.06	-	(a)	-	-	-	-	-	-	-	-
Calera Drive	71.02	-	52	-	48	-	-	3	-	1	-
Amarra Drive, Ph 1	40.15	-	5	2	4	-	-	1	-	-	2
Amarra Drive, Ph 2	89.44	-	35	-	23	-	-	8	-	4	-
Amarra Drive, Ph 3A	63.89	-	23	-	21	-	-	1	-	1	-
Amarra Drive, Ph 3B	84.77	-	63	-	36 (b)	-	-	21	-	5	-
Amarra Commercial	21.00	-	-	-	-	-	-	-	-	-	-
Villas at Amarra (Block G)	19.80	-	-	20	-	6	-	-	2	-	12
	660.47	-	178	38	132	22	-	34	2	11	14
B. Remaining Undeveloped but Developable Acreage											
N/A	-										
C. Undevelopable Acreage	26.33										
Total Acreage	686.80										

(a) Includes the Fazio Canyons Golf Course.

(b) Includes one house on two lots.

Selected Financial Information

2020 Certified Assessed Valuation	\$333,745,779 ^(a)
2021 Preliminary Assessed Valuation.....	\$400,089,852 ^(a)

Outstanding Debt

Outstanding Debt	Gross Debt	Average Annual Debt	Maximum Annual Debt
Direct Obligations of MUD No. 5 ^(b)	\$ 5,345,000	\$ 583,042	\$ 649,369
Contract Unlimited Tax ^(c)	18,123,453	1,105,654	1,267,609
	\$ 23,468,453	\$ 1,688,696	\$ 1,916,978

(a) As provided by the Travis Central Appraisal District ("TCAD").

(b) Debt issued by Travis Co. MUD No. 5 to acquire or construct internal facilities. See "Bonds Authorized but Unissued" below.

(c) Travis Co. MUD No. 5's pro rata share of the Remaining Outstanding Contract Bonds based upon the Service Area's Certified Assessed Valuation of \$1,503,871,728 for 2020, provided by TCAD.

Ratio of Gross Debt to 2020 Certified Assessed Valuation	7.03%
Ratio of Gross Debt to 2021 Preliminary Assessed Valuation	5.87%

Fund Balances as of February 4, 2021

General Operating Fund	\$ 927,721
Special Revenue Fund	10,940
Debt Service Fund	444,462
Capital Projects Fund	333,321

Tax Information

	<u>District</u>	<u>Contract</u>	<u>Total</u>
Tax Rate required to pay Average Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.1839	\$ 0.3487	\$ 0.5326 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.2048	\$ 0.3998	\$ 0.6046 /\$100 AV
Tax Rate required to pay Average Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.1534	\$ 0.2909	\$ 0.4443 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.1708	\$ 0.3335	\$ 0.5044 /\$100 AV

Tax Rate Distribution

<u>Tax Rate Distribution</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Service	\$ 0.1865	\$ 0.1890	\$ 0.2000	\$ 0.2080	\$ 0.2275	\$ 0.2782
Maintenance	0.0425	0.0410	0.0400	0.0450	0.1200	0.1146
Contract	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
Total	\$ 0.5790	\$ 0.5800	\$ 0.5900	\$ 0.6030	\$ 0.6975	\$ 0.7428

Tax Collections

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>Current Collections</u>		<u>Total Collections</u>		<u>Tax Year Ending</u>
				<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
1996	\$ 6,160,057	\$ 0.9500	\$ 58,521	\$ 58,521	100.00%	\$ 58,521	100.00%	9/30/1997 ^(a)
1997	6,406,083	0.9500	60,858	60,858	100.00%	60,858	100.00%	9/30/1998 ^(a)
1998	5,683,565	0.9500	53,994	53,994	100.00%	53,994	100.00%	9/30/1999 ^(a)
1999	7,686,413	0.9089	69,862	69,861	100.00%	69,861	100.00%	9/30/2000 ^(a)
2000	9,363,479	0.9089	85,105	85,105	100.00%	85,105	100.00%	9/30/2001 ^(a)
2001	9,470,460	0.9089	86,077	86,077	100.00%	86,077	100.00%	9/30/2002 ^(a)
2002	9,492,353	0.9089	86,276	86,276	100.00%	86,276	100.00%	9/30/2003 ^(a)
2003	10,198,337	0.9089	92,693	92,693	100.00%	92,693	100.00%	9/30/2004 ^(a)
2004	11,898,224	0.9089	108,143	108,143	100.00%	108,143	100.00%	9/30/2005 ^(a)
2005	11,519,189	0.9089	104,698	104,855	100.15%	104,855	100.15%	9/30/2006 ^(a)
2006	21,299,786	0.9089	193,594	193,594	100.00%	193,594	100.00%	9/30/2007 ^(a)
2007	45,118,337	0.9089	410,081	408,489	99.61%	408,489	99.61%	9/30/2008 ^(a)
2008	74,896,751	0.9089	686,214	651,798	94.98%	653,390	95.22%	9/30/2009 ^(a)
2009	89,559,653	0.8571	767,616	736,001	95.88%	759,090	98.89%	9/30/2010 ^(a)
2010	82,539,960	0.8571	707,450	689,760	97.50%	727,224	102.80%	9/30/2011 ^(a)
2011	80,447,159	0.8571	689,512	682,346	98.96%	700,036	101.53%	9/30/2012 ^(a)
2012	77,869,737	0.8120	632,303	632,303	100.00%	639,469	101.13%	9/30/2013 ^(a)
2013	83,544,109	0.8120	678,377	678,377	100.00%	678,377	100.00%	9/30/2014 ^(a)
2014	109,959,670	0.7693	847,563	847,563	100.00%	847,563	100.00%	9/30/2015 ^(a)
2015	141,825,599	0.7428	1,053,480	1,043,407	99.04%	1,043,407	99.04%	9/30/2016 ^(a)
2016	203,761,483	0.6975	1,422,329	1,419,800	99.82%	1,429,873	100.53%	9/30/2017 ^(a)
2017	253,444,771	0.6030	1,529,296	1,526,663	99.83%	1,528,355	99.94%	9/30/2018 ^(a)
2018	282,020,433	0.5900	1,663,921	1,663,921	100.00%	1,663,921	100.00%	9/30/2019 ^(a)
2019	303,921,774	0.5800	1,762,746	1,757,458	99.70%	1,757,458	99.70%	9/30/2020 ^(a)
2020	333,745,779	0.5790	1,932,388	1,868,639	96.70%	1,868,639	96.70%	9/30/2021 ^(b)

(a) Audited

(b) Unaudited; reflects tax collections through February 28, 2021. Taxes were due with no late penalty by January 31, 2021.

Principal Taxpayers

Principal Taxpayers	Type Property	2020	2019	2018
Stratus Properties Operating Co., L.P.	Acreage & Lots	\$ 13,583,861	\$ 23,304,878	\$ 37,290,453
Treefort Properties LLC	Country Club & Resort	4,121,878	-	-
Villas at Amarra Drive LLC	Country Club & Resort	3,922,100	3,922,100	7,025,035
Barton Creek Resort & Clubs, Inc.	Land & Improvements	3,919,378	3,912,305	3,912,305
Heyl Homes Inc.	Land & Improvements	4,495,840	5,391,597	-
Individual Homeowners	Land & Improvements	19,565,142	22,637,191	24,641,237
		\$ 49,608,199	\$ 59,168,071	\$ 72,869,030
Percent of Assessed Valuation		14.86%	19.47%	25.84%

Bonds Authorized But Unissued

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/7/1995	Water, Wastewater & Drainage	\$ 13,250,000	\$ 7,770,000	\$ 5,480,000
11/7/1995	Refunding ^(a)	19,875,000	477,767	19,397,233

- (a) The proposition authorized the Participant to issue refunding bonds in an amount not to exceed one and one-half times the amount of bonds or other obligations issued, assuming that the total amount of bonds authorized by the voters is issued, which equals \$19,875,000. To the extent the par amount of the refunding bonds exceeds the par amount of the refunded bonds the difference is counted against the refunding authorization. Additionally, any net premium received by the Participant from the sale of refunding bonds after deducting Underwriter's discount is also counted against the Participant's refunding authorization. The Participant issued \$3,990,000 Unlimited Tax Refunding Bonds, Series 2012, which used \$315,000 of the refunding bonds authorized and \$2,310,000 Unlimited Tax Refunding Bonds, Series 2019, which used an additional \$162,767.41 of the refunding bonds authorized.

Estimated Overlapping Debt Statement

Taxing Body	Gross Debt		% of Overlapping Net Debt	Amount of Overlapping Net Debt
	Amount	As of		
Travis County	997,735,000	4/30/2021	0.11%	\$ 1,097,509
Travis County ESD No. 3	1,130,000	4/30/2021	8.23%	92,999
Travis County Healthcare District	6,105,000	4/30/2021	0.12%	7,326
Austin Community College	386,255,000	4/30/2021	0.13%	502,132
Austin Independent School District	1,296,870,900	4/30/2021	0.18%	2,334,368
TOTAL ESTIMATED OVERLAPPING NET DEBT				\$ 4,034,333
Travis Co. MUD No. 5 (a)	\$ 23,468,453	6/3/2021	100.00%	\$ 23,468,453
TOTAL ESTIMATED DIRECT AND OVERLAPPING DEBT				\$ 27,502,786
Ratio of Estimated and Overlapping Debt to 2020 Certified Assessed Valuation				8.24%

- (a) Includes the direct debt of Travis County MUD No. 5 and Travis County MUD No. 5's pro rata share of the Remaining Outstanding Contract Bonds based upon the 2020 Certified Assessed Valuation.

Overlapping Taxes for 2020

Overlapping Entity	2020 Tax Rate Per	
	\$100 Assessed Valuation	Average Tax Bill ^(a)
	Travis County	Travis County
Travis County	\$0.374359	\$ 7,145
Travis County ESD No. 3	0.079000	1,508
Travis County Healthcare District	0.110306	2,105
Austin Community College	0.105800	2,019
Austin Independent School District	1.102700	21,046
Travis Co. MUD No. 5	0.579000	11,051
Total	<u>\$2.351165</u>	<u>\$ 44,874</u>

(a) Based upon the 2020 average single-family home value of \$1,908,587, as provided by TCAD.

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TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

Status of Development (as of March 1, 2021):

A. Developed with Utility Facilities

Section	Net Acreage	Platted Lots	Single Family Completed Homes	Homes Under Construction	Vacant Lots
Section J, Phase 1	27.28	11	11	-	-
Section J, Phase 2	<u>237.34</u>	<u>54</u> ^(a)	<u>42</u>	<u>1</u>	<u>2</u>
Total Developed with Utilities or Under Construction	264.62	65	51	1	2

B. Remaining Developable Acreage **0.00**

C. Undevelopable Acreage **7.01**

Total **271.63**

(a) Includes four homes built on two lots each, one home built on three lots and one home built on four lots.

Selected Financial Information

2020 Certified Assessed Valuation \$142,913,286^(a)
 2021 Preliminary Assessed Valuation..... \$140,506,508^(a)

Outstanding Debt

Outstanding Debt	Gross Debt	Average Annual Debt	Maximum Annual Debt
Direct Obligations of MUD No. 6 ^(b)	\$ 580	\$ 131,097	\$ 134,485
Contract Unlimited Tax ^(c)	<u>7,760,644</u>	<u>473,452</u>	<u>542,803</u>
	\$ 7,761,224	\$ 604,549	\$ 677,288

(a) As provided by the Travis Central Appraisal District ("TCAD").

(b) Debt issued by Travis Co. MUD No. 6 to acquire or construct internal facilities. See "Bonds Authorized but Unissued" below.

(c) Travis Co. MUD No. 6's pro rata share of the Remaining Outstanding Contract Bonds based upon the Service Area's Certified Assessed Valuation of \$1,503,871,728 for 2020, provided by TCAD.

Ratio of Gross Debt to 2020 Certified Assessed Valuation 5.43%
 Ratio of Gross Debt to 2021 Preliminary Assessed Valuation 5.52%

Fund Balances as of January 25, 2021

General Operating Fund	\$ 372,329
Special Revenue Fund	8,513
Debt Service Fund	62,852

Tax Information

	<u>District</u>	<u>Contract</u>	<u>Total</u>
Tax Rate required to pay Average Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.0966	\$ 0.3487	\$ 0.4453 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.0991	\$ 0.3998	\$ 0.4989 /\$100 AV
Tax Rate required to pay Average Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.0982	\$ 0.3547	\$ 0.4529 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.1008	\$ 0.4067	\$ 0.5074 /\$100 AV

Tax Rate Distribution

Tax Rate Distribution	2020	2019	2018	2017	2016	2015
Debt Service	\$ 0.0930	\$ 0.0875	\$ 0.0775	\$ 0.0948	\$ 0.0798	\$ 0.0770
Maintenance	0.0216	0.0271	0.0371	0.0400	0.0302	0.0330
Contract	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
Total	\$ 0.4646	\$ 0.4646	\$ 0.4646	\$ 0.4848	\$ 0.4600	\$ 0.4600

Tax Collections

Tax Year	Assessed Valuation	Tax Rate	Tax Levy	Current Collections		Total Collections		Tax Year Ending
				Amount	Percent	Amount	Percent	
1996	\$ 1,500,633	\$ 0.9500	\$ 14,256	\$ 14,256	100.00%	\$ 14,256	100.00%	9/30/1997 ^(a)
1997	1,470,336	0.9500	13,968	13,968	100.00%	13,968	100.00%	9/30/1998 ^(a)
1998	2,259,434	0.9500	21,465	21,465	100.00%	21,465	100.00%	9/30/1999 ^(a)
1999	3,583,880	0.9089	32,574	32,574	100.00%	32,574	100.00%	9/30/2000 ^(a)
2000	12,909,689	0.8870	114,509	108,396	94.66%	114,509	100.00%	9/30/2001 ^(a)
2001	34,049,342	0.8870	302,018	302,018	100.00%	302,018	100.00%	9/30/2002 ^(a)
2002	46,924,775	0.6500	305,011	291,067	95.43%	305,011	100.00%	9/30/2003 ^(a)
2003	58,379,736	0.6555	382,679	374,260	97.80%	382,679	100.00%	9/30/2004 ^(a)
2004	71,132,109	0.6316	449,270	438,533	97.61%	449,270	100.00%	9/30/2005 ^(a)
2005	79,309,637	0.5861	464,834	457,508	98.42%	464,834	100.00%	9/30/2006 ^(a)
2006	99,664,325	0.5182	516,460	511,835	99.10%	516,460	100.00%	9/30/2007 ^(a)
2007	128,213,257	0.4831	619,397	613,507	99.05%	619,397	100.00%	9/30/2008 ^(a)
2008	149,412,140	0.4531	675,308	675,308	100.00%	675,308	100.00%	9/30/2009 ^(a)
2009	156,625,859	0.4665	730,660	729,724	99.87%	730,660	100.00%	9/30/2010 ^(a)
2010	149,039,821	0.4750	707,767	705,981	99.75%	707,767	100.00%	9/30/2011 ^(a)
2011	147,445,861	0.4750	700,368	694,296	99.13%	700,368	100.00%	9/30/2012 ^(a)
2012	142,334,015	0.4750	676,086	674,303	99.74%	676,086	100.00%	9/30/2013 ^(a)
2013	152,776,344	0.4710	719,577	716,870	99.62%	719,577	100.00%	9/30/2014 ^(a)
2014	161,905,121	0.4600	744,764	741,370	99.54%	744,764	100.00%	9/30/2015 ^(a)
2015	170,099,693	0.4600	782,458	761,515	97.32%	782,458	100.00%	9/30/2016 ^(a)
2016	164,901,106	0.4600	763,794	757,714	99.20%	763,794	100.00%	9/30/2017 ^(a)
2017	156,150,053	0.4848	758,675	756,470	99.71%	758,675	100.00%	9/30/2018 ^(a)
2018	167,717,661	0.4646	780,469	780,314	99.98%	780,314	99.98%	9/30/2019 ^(a)
2019	149,696,983	0.4646	696,670	696,670	100.00%	696,670	100.00%	9/30/2020 ^(a)
2020	142,913,286	0.4646	663,975	650,906	98.03%	650,906	98.03%	9/30/2021 ^(b)

(a) Audited

(b) Unaudited; reflects tax collections through February 28, 2021. Taxes were due with no late penalty by January 31, 2021.

Principal Taxpayers

Principal Taxpayers	Type Property	2020	2019	2018
Individual Homeowners	Land & Improvements	\$ 37,958,661	\$ 36,463,562	\$ 41,004,213
Goggan Trust	Land & Improvements	4,400,000	4,400,000	5,874,123
7829 Escala Dr	Land & Improvements	-	3,472,700	4,004,891
		<u>\$ 42,358,661</u>	<u>\$ 44,336,262</u>	<u>\$ 50,883,227</u>
Percent of Assessed Valuation		29.64%	29.62%	30.34%

Bonds Authorized But Unissued

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/7/1995	Water, Wastewater & Drainage	\$ 12,850,000	\$ 1,710,000	\$ 11,140,000
11/7/1995	Refunding ^(a)	19,275,000	50,000	19,225,000

- (a) The proposition authorized the Participant to issue refunding bonds in an amount not to exceed one and one-half times the amount of bonds or other obligations issued, assuming that the total amount of bonds authorized by the voters is issued, which equals \$19,275,000. To the extent the par amount of the refunding bonds exceeds the par amount of the refunded bonds the difference is counted against the refunding authorization. Additionally, any net premium received by the Participant from the sale of refunding bonds after deducting Underwriter's discount is also counted against the Participant's refunding authorization. The Participant issued \$1,460,000 Unlimited Tax Refunding Bonds, Series 2007, which used \$50,000 of the refunding bonds authorized.

Estimated Overlapping Debt Statement

Taxing Body	Gross Debt		% of Overlapping Net Debt	Amount of Overlapping Net Debt
	Amount	As of		
Travis County	997,735,000	4/30/2021	0.06%	\$ 598,641
Travis County ESD No. 3	1,130,000	4/30/2021	4.11%	46,443
Travis County Healthcare District	6,105,000	4/30/2021	0.06%	3,663
Austin Community College	386,255,000	4/30/2021	0.06%	231,753
Austin Independent School District	1,296,870,900	4/30/2021	0.09%	1,167,184
TOTAL ESTIMATED OVERLAPPING NET DEBT				\$ 2,047,684
Travis Co. MUD No. 6 (a)	\$ 7,761,224	6/3/2021	100.00%	\$ 7,761,224
TOTAL ESTIMATED DIRECT AND OVERLAPPING DEBT				\$ 9,808,908
Ratio of Estimated and Overlapping Debt to 2020 Certified Assessed Valuation				6.86%

- (a) Includes the direct debt of Travis County MUD No. 6 and Travis County MUD No. 6's pro rata share of the Remaining Outstanding Contract Bonds based upon the 2020 Certified Assessed Valuation.

Overlapping Taxes for 2020

Overlapping Entity	2020 Tax Rate Per	
	\$100 Assessed Valuation	Average Tax Bill ^(a)
	Travis County	Travis County
Travis County	\$0.374359	\$ 9,339
Travis County ESD No. 3	0.079000	1,971
Travis County Healthcare District	0.110306	2,752
Austin Community College	0.105800	2,639
Austin Independent School District	1.102700	27,509
Travis Co. MUD No. 6	0.464600	11,590
Total	<u>\$2.236765</u>	<u>\$ 55,800</u>

(a) Based upon the 2020 average single-family home value of \$2,494,668 as provided by TCAD.

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TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 7

Status of Development:

Total Acreage..... 217.34

Total Acreage Developed with Utility Facilities 0.00*

* Approximately 186.22 acres are developable and 31.12 are undevelopable.

Selected Financial Information

2020 Certified Assessed Valuation \$1,644,765^(a)

2021 Preliminary Assessed Valuation..... \$1,643,943^(a)

Outstanding Debt

Outstanding Debt	Gross Debt	Average Annual Debt	Maximum Annual Debt
Direct Obligations of MUD No. 7 ^(b)	\$ -	\$ -	\$ -
Contract Unlimited Tax ^(c)	89,316	5,449	6,247
	<u>\$ 89,316</u>	<u>\$ 5,449</u>	<u>\$ 6,247</u>

(a) As provided by the Travis Central Appraisal District ("TCAD").

(b) Debt issued by Travis Co. MUD No. 7 to acquire or construct internal facilities. See "Bonds Authorized but Unissued" below.

(c) Travis Co. MUD No. 7's pro rata share of the Remaining Outstanding Contract Bonds based upon the Service Area's Certified Assessed Valuation of \$1,503,871,728 for 2020, provided by TCAD.

Ratio of Gross Debt to 2020 Certified Assessed Valuation..... 5.43%

Ratio of Gross Debt to 2021 Preliminary Assessed Valuation 5.43%

Fund Balance as of January 27, 2021

General Operating Fund \$ 8,480

Special Revenue Fund 713

Tax Information

	<u>District</u>	<u>Contract</u>	<u>Total</u>
Tax Rate required to pay Average Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ -	\$ 0.3487	\$ 0.3487 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ -	\$ 0.3998	\$ 0.3998 /\$100 AV
Tax Rate required to pay Average Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ -	\$ 0.3489	\$ 0.3489 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ -	\$ 0.4000	\$ 0.4000 /\$100 AV

Tax Rate Distribution

Tax Rate Distribution	2020	2019	2018	2017	2016	2015
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	0.5589	0.5589	0.5589	0.5589	0.5589	0.5589
Contract	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
Total	\$ 0.9089	\$ 0.9089	\$ 0.9089	\$ 0.9089	\$ 0.9089	\$ 0.9089

Tax Collections

Tax Year	Assessed Valuation	Tax Rate	Tax Levy	Current Collections		Total Collections		Tax Year Ending
				Amount	Percent	Amount	Percent	
1996	\$ 1,859,020	\$ 0.9500	\$ 17,661	\$ 17,661	100.00%	\$ 17,661	100.00%	9/30/1997 ^(a)
1997	1,859,150	0.9500	17,662	17,662	100.00%	17,662	100.00%	9/30/1998 ^(a)
1998	1,596,492	0.9500	15,167	15,167	100.00%	15,167	100.00%	9/30/1999 ^(a)
1999	1,597,952	0.9089	14,524	14,524	100.00%	14,524	100.00%	9/30/2000 ^(a)
2000	1,758,997	0.9089	15,988	15,988	100.00%	15,988	100.00%	9/30/2001 ^(a)
2001	1,802,209	0.9089	16,380	16,381	100.01%	16,381	100.01%	9/30/2002 ^(a)
2002	1,661,178	0.9089	15,098	15,098	100.00%	15,098	100.00%	9/30/2003 ^(a)
2003	1,661,052	0.9089	15,097	15,097	100.00%	15,097	100.00%	9/30/2004 ^(a)
2004	1,661,052	0.9089	15,097	15,097	100.00%	15,097	100.00%	9/30/2005 ^(a)
2005	1,660,960	0.9089	15,096	15,096	100.00%	15,096	100.00%	9/30/2006 ^(a)
2006	1,697,576	0.9089	15,429	15,429	100.00%	15,429	100.00%	9/30/2007 ^(a)
2007	1,696,941	0.9089	15,423	15,423	100.00%	15,423	100.00%	9/30/2008 ^(a)
2008	1,692,179	0.9089	15,380	15,380	100.00%	15,380	100.00%	9/30/2009 ^(a)
2009	1,690,455	0.9089	15,365	15,365	100.00%	15,365	100.00%	9/30/2010 ^(a)
2010	1,689,767	0.9089	15,357	15,357	100.00%	15,357	100.00%	9/30/2011 ^(a)
2011	1,687,265	0.9089	15,335	15,335	100.00%	15,335	100.00%	9/30/2012 ^(a)
2012	1,692,361	0.9089	15,382	15,382	100.00%	15,382	100.00%	9/30/2013 ^(a)
2013	1,694,479	0.9089	15,401	15,401	100.00%	15,401	100.00%	9/30/2014 ^(a)
2014	1,696,567	0.9089	15,420	15,420	100.00%	15,420	100.00%	9/30/2015 ^(a)
2015	4,989,216	0.9089	45,347	45,347	100.00%	45,347	100.00%	9/30/2016 ^(a)
2016	1,639,115	0.9089	14,898	14,898	100.00%	14,898	100.00%	9/30/2017 ^(a)
2017	1,638,252	0.9089	14,890	14,890	100.00%	14,890	100.00%	9/30/2018 ^(a)
2018	1,646,625	0.9089	14,966	14,966	100.00%	14,966	100.00%	9/30/2019 ^(a)
2019	1,647,230	0.9089	14,971	14,971	100.00%	14,971	100.00%	9/30/2020 ^(a)
2020	1,644,765	0.9089	14,949	14,949	100.00%	14,949	100.00%	9/30/2021 ^(b)

(a) Audited

(b) Unaudited; reflects tax collections through February 28, 2021. Taxes were due with no late penalty by January 31, 2021.

Principal Taxpayers

Principal Taxpayers	Type Property	2020	2019	2018
Stratus Properties Operating Co., L.P.	Land & Improvements	\$ 1,629,568	\$ 1,629,568	\$ 1,629,568
Southwestern Bell Telephone Co.	Acreage & Lots	15,197	17,662	17,057
		\$ 1,644,765	\$ 1,647,230	\$ 1,646,625
Percent of Assessed Valuation		100.00%	100.00%	100.00%

Bonds Authorized But Unissued

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/7/1995	Water, Wastewater & Drainage	\$ 10,200,000	\$ -	\$ 10,200,000
11/7/1995	Refunding ^(a)	15,300,000	-	15,300,000

- (a) The proposition authorized the Participant to issue refunding bonds in an amount not to exceed one and one-half times the amount of bonds or other obligations issued, assuming that the total amount of bonds authorized by the voters is issued, which equals \$15,300,000. To the extent the par amount of the refunding bonds exceeds the par amount of the refunded bonds the difference is counted against the refunding authorization. Additionally, any net premium received by the Participant from the sale of refunding bonds after deducting Underwriter's discount is also counted against the Participant's refunding authorization.

Estimated Overlapping Debt Statement

Taxing Body	Gross Debt		% of Overlapping Net Debt	Amount of Overlapping Net Debt
	Amount	As of		
Travis County	997,735,000	4/30/2021	0.001%	\$ 7,443
Travis County ESD No. 3	1,130,000	4/30/2021	0.045%	504
Travis County Healthcare District	6,105,000	4/30/2021	0.001%	46
Austin Community College	386,255,000	4/30/2021	0.001%	2,489
Austin Independent School District	1,296,870,900	4/30/2021	0.001%	15,898
TOTAL ESTIMATED OVERLAPPING NET DEBT				\$ 26,379
Travis Co. MUD No. 7 (a)	\$ 89,316	6/3/2021	100.00%	\$ 89,316
TOTAL ESTIMATED DIRECT AND OVERLAPPING DEBT				\$ 115,695
Ratio of Estimated and Overlapping Debt to 2020 Certified Assessed Valuation				7.03%

- (a) Travis County MUD No. 7's pro rata share of the Remaining Outstanding Contract Bonds based upon the 2020 Certified Assessed Valuation.

Overlapping Taxes for 2020

Overlapping Entity	2020 Tax Rate Per \$100 Assessed Valuation Travis County
Travis County	\$0.374359
Travis County ESD No. 3	0.079000
Travis County Healthcare District	0.110306
Austin Community College	0.105800
Austin Independent School District	1.102700
Travis Co. MUD No. 7	0.908900
Total	<u>\$2.681065</u>

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 8

Status of Development (as of March 1, 2021):

Section	Net Acreage	Platted Lots		Completed		Under Construction		Vacant Lots
		Multi- Family	Single Family	Single Family	Multi Family	Single Family	Multi Family	Single Family
A. Developed with Utility Facilities or Under Construction								
Mirador	186.00	-	34	24 ^(a)	-	2	-	4
Section N - Santal Apartments	35.00	448 ^(b)	-	-	448	-	-	-
	221.00	448	34	24	448	2	-	4
B. Remaining Undeveloped but Developable Acreage								
	349.00							
C. Undevelopable Acreage								
	138.30							
Total Acreage	708.30							

(a) Includes two homes built on two lots each and the two owners own three lots each.

(b) The Santal Apartments.

Selected Financial Information

2020 Certified Assessed Valuation \$149,469,471 ^(a)

2021 Preliminary Assessed Valuation..... \$161,119,883 ^(a)

Outstanding Debt

Outstanding Debt	Gross Debt	Average Annual Debt	Maximum Annual Debt
Direct Obligations of MUD No. 8 ^(b)	\$ 1,635,000	\$ 169,892	\$ 188,710
Contract Unlimited Tax ^(c)	8,116,666	495,172	567,704
	\$ 9,751,666	\$ 665,064	\$ 756,414

(a) As provided by the Travis Central Appraisal District ("TCAD").

(b) Debt issued by Travis Co. MUD No. 8 to acquire or construct internal facilities. See "Bonds Authorized but Unissued" below.

(c) Travis Co. MUD No. 8's pro rata share of the Remaining Outstanding Contract Bonds based upon the Service Area's Certified Assessed Valuation of \$1,503,871,728 for 2020, provided by TCAD.

Ratio of Gross Debt to 2020 Certified Assessed Valuation 6.52%

Ratio of Gross Debt to 2021 Preliminary Assessed Valuation 6.05%

Fund Balances as of January 27, 2021

General Operating Fund	\$ 1,203,037
Special Revenue Fund	4,508
Debt Service Fund	91,580
Capital Projects Fund	246,877

Tax Information

	<u>District</u>	<u>Contract</u>	<u>Total</u>
Tax Rate required to pay Average Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.1196	\$ 0.3487	\$ 0.4684 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ 0.1329	\$ 0.3998	\$ 0.5327 /\$100 AV
Tax Rate required to pay Average Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.1110	\$ 0.3235	\$ 0.4345 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ 0.1233	\$ 0.3709	\$ 0.4942 /\$100 AV

Tax Rate Distribution

Tax Rate Distribution	2020	2019	2018	2017	2016	2015
Debt Service	\$ 0.1090	\$ 0.1205	\$ 0.1360	\$ 0.1378	\$ 0.1648	\$ 0.1633
Maintenance	0.1710	0.2095	0.2285	0.2267	0.1997	0.2012
Contract	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
Total	\$ 0.6300	\$ 0.6800	\$ 0.7145	\$ 0.7145	\$ 0.7145	\$ 0.7145

Tax Collections

Tax Year	Assessed Valuation	Tax Rate	Tax Levy	Current Collections		Total Collections		Tax Year Ending
				Amount	Percent	Amount	Percent	
1996	\$ 5,164,951	\$ 0.9500	\$ 49,067	\$ 49,067	100.00%	\$ 49,067	100.00%	9/30/1997 ^(a)
1997	5,283,942	0.9500	50,197	50,198	100.00%	50,198	100.00%	9/30/1998 ^(a)
1998	5,572,170	0.9500	52,936	52,936	100.00%	52,936	100.00%	9/30/1999 ^(a)
1999	5,678,075	0.9089	51,608	51,608	100.00%	51,608	100.00%	9/30/2000 ^(a)
2000	6,347,702	0.9089	57,694	54,804	94.99%	54,804	94.99%	9/30/2001 ^(a)
2001	9,249,904	0.9089	84,072	84,073	100.00%	84,073	100.00%	9/30/2002 ^(a)
2002	15,084,332	0.9089	137,101	134,077	97.79%	134,077	97.79%	9/30/2003 ^(a)
2003	16,328,350	0.9089	148,394	148,394	100.00%	148,394	100.00%	9/30/2004 ^(a)
2004	19,355,022	0.9089	175,918	170,869	97.13%	170,869	97.13%	9/30/2005 ^(a)
2005	25,868,820	0.8489	210,477	210,477	100.00%	210,477	100.00%	9/30/2006 ^(a)
2006	34,790,812	0.7796	270,257	270,257	100.00%	270,257	100.00%	9/30/2007 ^(a)
2007	51,689,313	0.7213	372,836	372,836	100.00%	372,836	100.00%	9/30/2008 ^(a)
2008	68,918,454	0.7213	497,110	497,110	100.00%	497,110	100.00%	9/30/2009 ^(a)
2009	68,536,243	0.7213	494,352	476,132	96.31%	476,132	96.31%	9/30/2010 ^(a)
2010	63,300,445	0.7213	454,004	454,004	100.00%	454,004	100.00%	9/30/2011 ^(a)
2011	61,005,748	0.7213	440,034	440,034	100.00%	440,034	100.00%	9/30/2012 ^(a)
2012	60,313,373	0.7213	435,041	435,041	100.00%	435,041	100.00%	9/30/2013 ^(a)
2013	63,985,248	0.7213	462,110	462,110	100.00%	462,110	100.00%	9/30/2014 ^(a)
2014	69,438,163	0.7213	503,021	489,226	97.26%	489,226	97.26%	9/30/2015 ^(a)
2015	77,067,363	0.7145	550,646	550,646	100.00%	564,441	102.51%	9/30/2016 ^(a)
2016	88,508,297	0.7145	632,392	632,392	100.00%	632,392	100.00%	9/30/2017 ^(a)
2017	107,633,024	0.7145	769,038	769,038	100.00%	769,038	100.00%	9/30/2018 ^(a)
2018	113,138,796	0.7145	808,377	808,377	100.00%	808,377	100.00%	9/30/2019 ^(a)
2019	151,266,040	0.6800	1,028,609	1,028,609	100.00%	1,028,609	100.00%	9/30/2020 ^(a)
2020	149,469,471	0.6300	941,658	906,899	96.31%	906,899	96.31%	9/30/2021 ^(b)

(a) Audited

(b) Unaudited; reflects tax collections through February 28, 2021. Taxes were due with no late penalty by January 31, 2021.

Principal Taxpayers

Principal Taxpayers	Type Property	2020	2019	2018
Santal I LLC	Apartments	\$ 94,850,000	\$ 86,570,000	\$ 46,560,000
Stratus Properties Operating Co., L.P.	Acreage & Lots	10,684,903	10,705,425	10,629,676
Individual Homeowners	Land & Improvements	18,975,639	23,731,397	24,824,255
		\$ 124,510,542	\$ 121,006,822	\$ 82,013,931
Percent of Assessed Valuation		83.30%	80.00%	72.49%

Bonds Authorized But Unissued

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/7/1995	Water, Wastewater & Drainage	\$ 42,750,000	\$ 2,290,000	\$ 40,460,000
11/7/1995	Refunding ^(a)	64,125,000	130,000	63,995,000

- (a) The proposition authorized the Participant to issue refunding bonds in an amount not to exceed one and one-half times the amount of bonds or other obligations issued, assuming that the total amount of bonds authorized by the voters is issued, which equals \$64,125,000. To the extent the par amount of the refunding bonds exceeds the par amount of the refunded bonds the difference is counted against the refunding authorization. Additionally, any net premium received by the Participant from the sale of refunding bonds after deducting Underwriter's discount is also counted against the Participant's refunding authorization. The Participant issued \$1,400,000 Unlimited Tax Refunding Bonds, Series 2021, which used \$130,000 of the refunding bonds authorized.

Estimated Overlapping Debt Statement

Taxing Body	Gross Debt		% of Overlapping Net Debt	Amount of Overlapping Net Debt
	Amount	As of		
Travis County	997,735,000	4/30/2021	0.07%	\$ 698,415
Travis County ESD No. 3	1,130,000	4/30/2021	4.30%	48,590
Travis County Healthcare District	6,105,000	4/30/2021	0.07%	4,274
Austin Community College	386,255,000	4/30/2021	0.06%	231,753
Austin Independent School District	1,296,870,900	4/30/2021	0.12%	1,556,245
TOTAL ESTIMATED OVERLAPPING NET DEBT				\$ 2,539,276
Travis Co. MUD No. 8 (a)	\$ 9,751,666	6/3/2021	100.00%	\$ 9,751,666
TOTAL ESTIMATED DIRECT AND OVERLAPPING DEBT				\$ 12,290,942
Ratio of Estimated and Overlapping Debt to 2020 Certified Assessed Valuation				8.22%

- (a) Includes the direct debt of Travis County MUD No. 8 and Travis County MUD No. 8's pro rata share of the Remaining Outstanding Contract Bonds based upon the 2020 Certified Assessed Valuation.

Overlapping Taxes for 2020

Overlapping Entity	2020 Tax Rate Per	
	\$100 Assessed Valuation	Average Tax Bill ^(a)
	Travis County	Travis County
Travis County	\$0.374359	\$ 6,990
Travis County ESD No. 3	0.079000	1,475
Travis County Healthcare District	0.110306	2,060
Austin Community College	0.105800	1,976
Austin Independent School District	1.102700	20,590
Travis Co. MUD No. 8	0.630000	11,764
Total	<u>\$2.402165</u>	<u>\$ 44,855</u>

(a) Based upon the 2020 average single-family home value of \$1,867,269 as provided by TCAD.

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TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

Status of Development:

Total Acreage.....	290.75
Total Acreage Developed with Utility Facilities.....	0.00*

* Approximately 283.34 acres are developable and 7.41 acres are undevelopable.

Selected Financial Information

2020 Certified Assessed Valuation	\$3,839,281 ^(a)
2021 Preliminary Assessed Valuation.....	\$3,873,189 ^(a)

Outstanding Debt

Outstanding Debt	Gross Debt	Average Annual Debt	Maximum Annual Debt
Direct Obligations of MUD No. 9 ^(b)	\$ -	\$ -	\$ -
Contract Unlimited Tax ^(c)	208,485	12,719	14,582
	\$ 208,485	\$ 12,719	\$ 14,582

(a) As provided by the Travis Central Appraisal District ("TCAD").

(b) Debt issued by Travis Co. MUD No. 9 to acquire or construct internal facilities. See "Bonds Authorized but Unissued" below.

(c) Travis Co. MUD No. 9's pro rata share of the Remaining Outstanding Contract Bonds based upon the Service Area's Certified Assessed Valuation of \$1,503,871,728 for 2020, provided by TCAD.

Ratio of Gross Debt to 2020 Certified Assessed Valuation	5.43%
Ratio of Gross Debt to 2021 Preliminary Assessed Valuation	5.38%

Fund Balance as of February 4, 2021

General Operating Fund	\$ 2,111
Special Revenue Fund	508

Tax Information

	<u>District</u>	<u>Contract</u>	<u>Total</u>
Tax Rate required to pay Average Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ -	\$ 0.3487	\$ 0.3487 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2020 Certified Assessed Valuation at 95% collection	\$ -	\$ 0.3998	\$ 0.3998 /\$100 AV
Tax Rate required to pay Average Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ -	\$ 0.3457	\$ 0.3457 /\$100 AV
Tax Rate required to pay Maximum Requirement based on 2021 Preliminary Assessed Valuation at 95% collection	\$ -	\$ 0.3963	\$ 0.3963 /\$100 AV

Tax Rate Distribution

Tax Rate Distribution	2020	2019	2018	2017	2016	2015
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	0.4775	0.4775	0.4775	0.4775	0.4935	0.5095
Contract	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
Total	\$ 0.8275	\$ 0.8275	\$ 0.8275	\$ 0.8275	\$ 0.8435	\$ 0.8595

Tax Collections

Tax Year	Assessed Valuation	Tax Rate	Tax Levy	Current Collections		Total Collections		Tax Year Ending
				Amount	Percent	Amount	Percent	
1996	\$ 2,662,265	\$ 0.9500	\$ 25,292	\$ 25,291	100.00%	\$ 25,291	100.00%	9/30/1997 ^(a)
1997	2,522,798	0.9500	23,967	23,967	100.00%	23,967	100.00%	9/30/1998 ^(a)
1998	2,184,731	0.9500	20,755	20,755	100.00%	20,755	100.00%	9/30/1999 ^(a)
1999	2,909,799	0.9089	26,447	26,447	100.00%	26,447	100.00%	9/30/2000 ^(a)
2000	3,214,041	0.9089	29,212	29,212	100.00%	29,212	100.00%	9/30/2001 ^(a)
2001	3,362,658	0.9089	30,563	30,563	100.00%	30,563	100.00%	9/30/2002 ^(a)
2002	3,339,185	0.9089	30,350	30,350	100.00%	30,350	100.00%	9/30/2003 ^(a)
2003	3,336,642	0.9089	30,327	30,327	100.00%	30,327	100.00%	9/30/2004 ^(a)
2004	3,336,642	0.9089	30,327	30,327	100.00%	30,327	100.00%	9/30/2005 ^(a)
2005	3,205,374	0.9089	29,134	29,134	100.00%	29,134	100.00%	9/30/2006 ^(a)
2006	3,361,283	0.8920	29,983	29,983	100.00%	29,983	100.00%	9/30/2007 ^(a)
2007	3,485,176	0.8920	30,516	30,516	100.00%	30,516	100.00%	9/30/2008 ^(a)
2008	3,581,021	0.8756	31,356	31,356	100.00%	31,356	100.00%	9/30/2009 ^(a)
2009	3,570,108	0.8756	31,260	31,260	100.00%	31,260	100.00%	9/30/2010 ^(a)
2010	3,449,695	0.8756	30,206	30,206	100.00%	30,206	100.00%	9/30/2011 ^(a)
2011	3,500,989	0.8756	30,654	30,654	100.00%	30,654	100.00%	9/30/2012 ^(a)
2012	3,423,108	0.8756	29,973	29,973	100.00%	29,973	100.00%	9/30/2013 ^(a)
2013	3,418,902	0.8756	29,936	29,936	100.00%	29,936	100.00%	9/30/2014 ^(a)
2014	3,512,444	0.8756	30,755	30,755	100.00%	30,755	100.00%	9/30/2015 ^(a)
2015	3,446,019	0.8595	29,618	29,618	100.00%	29,618	100.00%	9/30/2016 ^(a)
2016	3,561,579	0.8435	30,041	30,041	100.00%	30,041	100.00%	9/30/2017 ^(a)
2017	3,702,584	0.8275	30,639	30,639	100.00%	30,639	100.00%	9/30/2018 ^(a)
2018	3,830,643	0.8275	31,698	31,698	100.00%	31,698	100.00%	9/30/2019 ^(a)
2019	3,892,105	0.8275	32,207	32,207	100.00%	32,207	100.00%	9/30/2020 ^(a)
2020	3,839,281	0.8275	31,770	31,770	100.00%	31,770	100.00%	9/30/2021 ^(b)

(a) Audited

(b) Unaudited; reflects tax collections through February 28, 2021. Taxes were due with no late penalty by January 31, 2021.

Principal Taxpayers

Principal Taxpayers	Type Property	2020	2019	2018
Stratus Properties Operating Co., L.P.	Acreage & Lots	\$ 2,114,084	\$ 2,114,084	\$ 2,114,084
Individual Homeowner	Land & Improvements	1,692,484	1,740,165	1,680,000
Southwestern Bell Telephone Co.	Telephone Company	32,713	37,856	36,559
		\$ 3,839,281	\$ 3,892,105	\$ 3,830,643
Percent of Assessed Valuation		100.00%	100.00%	100.00%

Bonds Authorized But Unissued

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/7/1995	Water, Wastewater & Drainage	\$ 15,510,000	\$ -	\$ 15,510,000
11/7/1995	Refunding ^(a)	23,265,000	-	23,265,000

- (a) The proposition authorized the Participant to issue refunding bonds in an amount not to exceed one and one-half times the amount of bonds or other obligations issued, assuming that the total amount of bonds authorized by the voters is issued, which equals \$23,265,000. To the extent the par amount of the refunding bonds exceeds the par amount of the refunded bonds the difference is counted against the refunding authorization. Additionally, any net premium received by the Participant from the sale of refunding bonds after deducting Underwriter's discount is also counted against the Participant's refunding authorization.

Estimated Overlapping Debt Statement

Taxing Body	Gross Debt		% of Overlapping Net Debt	Amount of Overlapping Net Debt
	Amount	As of		
Travis County	997,735,000	4/30/2021	0.002%	\$ 17,374
Travis County ESD No. 3	1,130,000	4/30/2021	0.104%	1,176
Travis County Healthcare District	6,105,000	4/30/2021	0.002%	106
Austin Community College	386,255,000	4/30/2021	0.002%	5,810
Austin Independent School District	1,296,870,900	4/30/2021	0.003%	37,109
TOTAL ESTIMATED OVERLAPPING NET DEBT				\$ 61,574
Travis Co. MUD No. 9 (a)	\$ 208,485	6/3/2021	100.00%	\$ 208,485
TOTAL ESTIMATED DIRECT AND OVERLAPPING DEBT				\$ 270,060
Ratio of Estimated and Overlapping Debt to 2020 Certified Assessed Valuation				7.03%

- (a) Travis County MUD No. 9's pro rata share of the Remaining Outstanding Contract Bonds based upon the 2020 Certified Assessed Valuation.

Overlapping Taxes for 2020

Overlapping Entity	2020 Tax Rate Per	
	\$100 Assessed Valuation	Average Tax Bill ^(a)
	Travis County	Travis County
Travis County	\$0.374359	\$ 6,514
Travis County ESD No. 3	0.079000	1,375
Travis County Healthcare District	0.110306	1,920
Austin Community College	0.105800	1,841
Austin Independent School District	1.102700	19,189
Travis Co. MUD No. 9	0.827500	14,400
Total	<u>\$2.599665</u>	<u>\$ 45,238</u>

- (a) Based upon the 2020 average single-family home value of \$1,740,165, as provided by TCAD.

APPENDIX B
AUDITED FINANCIAL STATEMENTS

The information contained in this appendix has been excerpted from the audited financial statements of Travis County Municipal Utility District No. 4 – Master District for the fiscal year ended September 30, 2020. Certain information not considered to be relevant to this financing has been omitted; however, complete audit reports are available upon request.

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4**

YEAR ENDED SEPTEMBER 30, 2020

**FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT**

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4**

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**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4**

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ANNUAL FILING AFFIDAVIT

ANNUAL FILING AFFIDAVIT

STATE OF TEXAS
COUNTY OF TRAVIS

I, _____ of the
(Name of Duly Authorized District Representative)

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4
(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 **February 2, 2021**, its annual audit report for the fiscal period ended **September 30, 2020** and that copies of the annual audit report have been filed in the District's office, located at:

100 Congress Ave., Suite 1300
Austin, Texas 78701
(Address of District's Office)

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

Date: _____, _____ By: _____
(Signature of District Representative)

(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this _____ day of _____, _____.

(SEAL)

(Signature of Notary)

My Commission Expires On: _____, _____.
Notary Public in the State of Texas

INDEPENDENT AUDITOR'S REPORT

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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Suite 235
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Board of Directors
Travis County Municipal
Utility District No. 4
Travis County, Texas

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities and each major fund of Travis County Municipal Utility District No. 4 (the "District"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule – General Fund and Special Revenue Fund be presented to supplement the basic financial statements. Such information, 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.

Other 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* and the Other Supplementary Information are presented for purposes of additional analysis and are 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 Texas Supplementary Information and the Other Supplementary Information have 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 them.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

February 2, 2021

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

In accordance with Governmental Accounting Standards Board Statement 34 ("GASB 34"), the management of Travis County Municipal Utility District No. 4 (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2020. Since this information is designed to focus on current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the District's financial statements that follow.

FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the total fund balance was \$1,624,990, an increase of \$238,902 from the previous fiscal year. General fund revenues increased from \$220,319 in the previous fiscal year to \$341,857.
- *Special Revenue Fund:* Fund balance restricted for contracted Master District expenditures decreased from \$4,048,838 in the previous fiscal year to \$3,370,989 in the current fiscal year. The Participant District was charged \$815,758 in contract charges from the Master District during the current fiscal year.
- *Debt Service Fund:* Fund balance restricted for debt service decreased from \$4,573,761 in the previous fiscal year to \$4,431,718 in the current fiscal year. Contributions from the Participant Districts to the Master District increased from \$5,036,460 in the previous fiscal year to \$5,293,893 in the current fiscal year. During the current fiscal year, the District issued two unlimited contract tax refunding bonds issues to currently refund outstanding bonded debt for a combined net savings of \$931,127.
- *Capital Projects Fund:* Fund balance restricted for capital projects decreased from \$4,224,315 in the previous fiscal year to \$3,931,878 in the current fiscal year.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had expenses net of revenues of \$1,104,231. Net position decreased from a deficit of \$838,119 to a deficit balance of \$1,942,350.

OVERVIEW OF THE DISTRICT

The District is a political subdivision of the State of Texas created, along with six other conservation and reclamation districts, by an act of the 74th Regular Session of the Texas Legislature on June 16, 1995, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District was created to provide water, wastewater and storm drainage, including water quality facilities, to the approximately 492 acres within its boundaries, all of which lies within Travis County, Texas and the Barton Creek Development which includes the approximately 3,520 acres located in Travis County Municipal Utility District Nos. 3, 4, 5, 6, 7, 8 and 9. The District, which encompasses approximately 492 acres of land, is located in western Travis County and lies approximately 8 miles west of the City of Austin's central business district and is situated approximately 2 miles southwest of the intersection of RM 2244 and Capital of Texas Highway. The District lies entirely within the extraterritorial jurisdiction of Austin, Texas. Travis County Municipal Utility District No. 4 serves as the Master District for all seven districts. The Master District operates and maintains all of the water, wastewater and drainage and including water quality, facilities for the seven districts by contract.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

USING THIS ANNUAL REPORT

This annual report consists of five parts:

1. *Management's Discussion and Analysis* (this section)
2. *Basic Financial Statements*
3. *Required Supplementary Information*
4. *Texas Supplementary Information* (required by the Texas Commission on Environmental Quality (the TSI section))
5. *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 Statement of 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 Statement of Revenues, Expenditures, and Changes in Fund Balances*.

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4 **MANAGEMENT'S DISCUSSION AND ANALYSIS** **SEPTEMBER 30, 2020**

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)
	2020	2019	
Current and other assets	\$ 15,653,272	\$ 15,742,766	\$ (89,494)
Capital and non-current assets	68,184,612	70,135,897	(1,951,285)
Total Assets	83,837,884	85,878,663	(2,040,779)
Deferred Outflows of Resources	600,773	1,415,214	(814,441)
Current Liabilities	5,146,469	4,603,919	542,550
Long-term Liabilities	81,234,538	83,528,077	(2,293,539)
Total Liabilities	86,381,007	88,131,996	(1,750,989)
Net Investment in Capital Assets	(11,145,992)	(10,632,651)	(513,341)
Restricted	7,578,651	8,329,771	(751,120)
Unrestricted	1,624,991	1,464,761	160,230
Total Net Position	\$ (1,942,350)	\$ (838,119)	\$ (1,104,231)

The District's net position decreased from a deficit balance of \$838,119 in the previous fiscal year to a deficit balance of \$1,942,350 in the current fiscal year.

Some of these assets are accounted for by capital assets or restricted for debt service. The District's unrestricted net position, which can be used to finance day to day operations, totaled \$1,624,991.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4 **MANAGEMENT'S DISCUSSION AND ANALYSIS** **SEPTEMBER 30, 2020**

Revenues and Expenses:

Summary Statement of Activities

	Governmental Activities		Change Increase (Decrease)
	2020	2019	
Water/wastewater/water quality fees	\$ 4,131,408	\$ 3,969,427	\$ 161,981
Property tax revenue	895,539	581,723	313,816
Other	243,352	396,766	(153,414)
Total Revenues	5,270,299	4,947,916	322,383
Contracted Master District services	815,758	549,464	266,294
Water/wastewater operations	2,970,384	2,727,861	242,523
Administrative	690,685	852,224	(161,539)
Debt service	3,887,160	3,404,762	482,398
Depreciation	1,956,334	1,894,098	62,236
Amortization	815,488	623,353	192,135
Total Expenses	11,135,809	10,051,762	1,084,047
Other Financing Sources	4,761,279	5,241,953	(480,674)
Change in Net Position	(1,104,231)	138,107	(1,242,338)
Beginning Net Position	(838,119)	(976,226)	138,107
Ending Net Position	\$ (1,942,350)	\$ (838,119)	\$ (1,104,231)

Revenues were \$5,270,299 for the fiscal year ended September 30, 2020 while expenses were \$11,135,809 and other financing sources were \$4,761,279. In total, net position decreased \$1,104,231.

Property tax revenues in the current fiscal year totaled \$895,539. 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 2019 tax year (September 30, 2020 fiscal year) were based upon a current assessed value of \$122,724,876 and a tax rate of \$0.7296 per \$100 of assessed valuation. Property taxes levied for the 2018 tax year (September 30, 2019 fiscal year) were based upon an adjusted assessed value of \$79,723,722 and a tax rate of \$0.7296 per \$100 of assessed valuation. The District's primary revenue source is water/wastewater/water quality service fees.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

ANALYSIS OF GOVERNMENTAL FUNDS

	Governmental Funds by Year			
	2020	2019	2018	2017
Cash on deposit	\$ 351,522	\$ 590,760	\$ 140,377	\$ 409,731
Cash equivalents/investments	14,208,194	13,936,313	12,048,300	8,478,620
Receivables	2,229,455	2,006,464	1,718,719	2,549,938
Total Assets	<u>\$ 16,789,171</u>	<u>\$ 16,533,537</u>	<u>\$ 13,907,396</u>	<u>\$ 11,438,289</u>
Accounts payable/refundable deposits	1,014,940	1,061,806	1,237,093	1,014,537
Other payable	2,414,646	1,238,719	1,210,867	1,032,764
Total Liabilities	<u>3,429,586</u>	<u>2,300,525</u>	<u>2,447,960</u>	<u>2,047,301</u>
Deferred Inflows of Resources	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Restricted	8,974,733	10,977,862	7,991,059	6,623,780
Assigned	2,759,852	1,869,052	2,128,310	1,461,824
Unassigned	1,624,990	1,386,088	1,340,057	1,305,374
Total Fund Balance	<u>13,359,575</u>	<u>14,233,002</u>	<u>11,459,426</u>	<u>9,390,978</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,789,171</u>	<u>\$ 16,533,537</u>	<u>\$ 13,907,396</u>	<u>\$ 11,438,289</u>

For the fiscal year ended September 30, 2020, the District's governmental funds reflect a combined fund balance of \$13,359,575.

This fund balance includes a \$238,902 increase in the General Fund.

The Special Revenue Fund reflects a decrease of \$677,849 in fiscal year 2020. The Special Revenue Fund for the Participant District was charged \$815,758 for Contracted Master District monthly charges.

The Debt Service Fund reflects a decrease of \$142,043 in fiscal year 2020. The Debt Service Fund for the Master District remitted bond principal of \$2,810,000 and bond interest of \$2,663,199. In the Participant District, bond principal of \$120,000 and bond interest of \$30,403 was remitted. During the current fiscal year, the District issued two unlimited contract tax refunding bonds issues to currently refund outstanding bonded debt for a combined net savings of \$931,127. More detailed information about the District's debt is presented in the *Notes to the Financial Statements*.

The Capital Project Fund purchases the District's infrastructure. The Capital Projects Fund reflects a decrease of \$292,437 in fund balance for fiscal year 2020. The District transferred \$331,160 to the Master District Special Revenue Fund for infrastructure projects during the current fiscal year.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

BUDGETARY HIGHLIGHTS

The *General Fund* pays for daily operating costs. On September 3, 2019, the Board of Directors approved budgets for the Participant and Master Districts. The Participant District budget included revenues of \$357,155 as compared to expenditures of \$215,700. When comparing actual to budget, the Participant District had a positive variance of \$97,447. The Master District budget included revenues of \$3,944,760 and other financing sources of \$1,200,000 as compared to expenditures of \$7,013,812. When comparing actual to budget, the Master District had a positive variance of \$1,579,480. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information*.

CAPITAL ASSETS

The District's governmental activities show an investment of \$64,689,978 in infrastructure. The detail is reflected in the following schedule:

Summary of Capital Assets, net

	9/30/2020	9/30/2019
Capital Assets:		
Land	\$ 372,733	\$ 372,733
Construction in progress	208,305	380,946
Water/Wastewater/Drainage	85,309,511	84,325,367
Less: Accumulated Depreciation	(21,200,571)	(19,244,237)
Total Net Capital Assets	<u>\$ 64,689,978</u>	<u>\$ 65,834,809</u>

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

LONG TERM DEBT

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

	Bonds Payable
Series 2007 (Participant)	\$ 560,000
Series 2011 (Master)	1,085,000
Series 2012 (Master)	520,000
Series 2013 (Master)	850,000
Series 2015 (Master)	2,780,000
Series 2015A (Master)	5,725,000
Series 2016 (Master)	9,445,000
Series 2016A (Master)	12,900,000
Series 2017 (Master)	5,745,000
Series 2017A (Master)	15,915,000
Series 2019 (Master)	7,990,000
Series 2019A (Master)	13,625,000
Series 2020 (Master)	5,035,000
Total	<u>\$ 82,175,000</u>

The District owes approximately \$82 million to bondholders. In addition, the Participant District contributes to debt service requirements of the Master District bonds based upon a pro rata allocation of assessed valuation. During the year, the District made principal payments of \$2,930,000. The ratio of the Participant District's long-term debt (\$560,000) to the total 2020 taxable assessed valuation (\$173,252,725) is less than 1%. The ratio of the Master District's long-term debt (\$81,615,000) to the total 2020 taxable assessed valuation of all of the Participating District's total taxable assessed valuation (\$1,531,770,798) is 5.3%. The District's estimated population as of May 1, 2020, is 4,242 for all Participant Districts. 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 amount of assessed value of property within the District for the 2020 tax year (September 30, 2021 fiscal year) is approximately \$173 million and the tax rate levied was \$0.7296 per \$100 of assessed valuation. Approximately 36% of the property tax will fund general fund costs, approximately 48% will fund contracted Master District activity and approximately 16% of the property tax will be set aside for debt service.

The Participating District's adopted budget for fiscal year 2021 projects an operating fund balance increase of \$107,616. The Master District's adopted budget for 2021 projects a fund balance decrease of \$2,759,852.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

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 Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701.

FINANCIAL STATEMENTS

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2020**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - wide Statement of Net Position
<u>ASSETS</u>							
Cash and cash equivalents -							
Cash	\$ 26,830	\$ 324,692	\$ -	\$ -	\$ 351,522	\$ -	\$ 351,522
Cash equivalents	2,312,164	3,488,087	1,868,604	3,959,894	11,628,749	-	11,628,749
Investments	-	-	2,579,445	-	2,579,445	-	2,579,445
Receivables-							
Water, wastewater and water quality fees, net of allowance for doubtful accounts of \$ -0-	-	887,038	-	-	887,038	-	887,038
Property taxes	1	9	-	-	10	-	10
Interfund	458	1,286,004	307	413	1,287,182	(1,287,182)	-
Prepaid bond issue costs	-	-	-	-	-	151,283	151,283
Prepaid lease/deferred asset	-	16,000	-	-	16,000	-	16,000
Other	-	39,225	-	-	39,225	-	39,225
Intangible assets, net of accumulated amortization	-	-	-	-	-	3,494,634	3,494,634
Capital assets, net of accumulated depreciation -							
Land	-	-	-	-	-	372,733	372,733
Construction in Progress	-	-	-	-	-	208,305	208,305
Water/Wastewater/Drainage System	-	-	-	-	-	64,108,940	64,108,940
TOTAL ASSETS	<u>2,339,453</u>	<u>6,041,055</u>	<u>4,448,356</u>	<u>3,960,307</u>	<u>16,789,171</u>	<u>67,048,713</u>	<u>83,837,884</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Deferred charges on bond refunding	-	-	-	-	-	600,773	600,773
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,339,453</u>	<u>\$ 6,041,055</u>	<u>\$ 4,448,356</u>	<u>\$ 3,960,307</u>	<u>\$ 16,789,171</u>	<u>67,649,486</u>	<u>84,438,657</u>
<u>LIABILITIES</u>							
Accounts payable	\$ 7,271	\$ 530,587	\$ -	\$ -	\$ 537,858	-	537,858
Accrued interest payable	-	-	-	-	-	224,065	224,065
Refundable deposits	-	477,082	-	-	477,082	-	477,082
Interfund payables	707,191	534,924	16,638	28,429	1,287,182	(1,287,182)	-
Intergovernmental payables	-	1,127,464	-	-	1,127,464	-	1,127,464
Bonds payable -							
Due within one year	-	-	-	-	-	2,780,000	2,780,000
Due after one year	-	-	-	-	-	81,234,538	81,234,538
TOTAL LIABILITIES	<u>714,462</u>	<u>2,670,057</u>	<u>16,638</u>	<u>28,429</u>	<u>3,429,586</u>	<u>82,951,421</u>	<u>86,381,007</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Property taxes	1	9	-	-	10	(10)	-
<u>FUND BALANCES / NET POSITION</u>							
Fund balances:							
Restricted for contracted Master							
District expenditures	-	611,137	-	-	611,137	(611,137)	-
Restricted for debt service	-	-	4,431,718	-	4,431,718	(4,431,718)	-
Restricted for capital projects	-	-	-	3,931,878	3,931,878	(3,931,878)	-
Assigned for 2021 budget deficit	-	2,759,852	-	-	2,759,852	(2,759,852)	-
Unassigned	1,624,990	-	-	-	1,624,990	(1,624,990)	-
TOTAL FUND BALANCES	<u>1,624,990</u>	<u>3,370,989</u>	<u>4,431,718</u>	<u>3,931,878</u>	<u>13,359,575</u>	<u>(13,359,575)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,339,453</u>	<u>\$ 6,041,055</u>	<u>\$ 4,448,356</u>	<u>\$ 3,960,307</u>	<u>\$ 16,789,171</u>		
<u>NET POSITION:</u>							
Net investment in capital assets						(11,145,992)	(11,145,992)
Restricted for authorized contract tax expenditures						3,370,998	3,370,998
Restricted for debt service						4,207,653	4,207,653
Unrestricted						1,624,991	1,624,991
TOTAL NET POSITION						<u>\$ (1,942,350)</u>	<u>\$ (1,942,350)</u>

The accompanying notes are an integral part of this statement.

TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - wide Statement of Activities
REVENUES:							
Water, wastewater, and water quality fees, including penalties	\$ -	\$ 4,131,408	\$ -	\$ -	\$ 4,131,408	\$ -	\$ 4,131,408
Tap connection fees	-	95,575	-	-	95,575	-	95,575
Property tax revenues, including penalties	324,167	429,603	141,769	-	895,539	-	895,539
Interest	17,690	25,497	42,108	38,723	124,018	-	124,018
Miscellaneous	-	23,759	-	-	23,759	-	23,759
TOTAL REVENUES	<u>341,857</u>	<u>4,705,842</u>	<u>183,877</u>	<u>38,723</u>	<u>5,270,299</u>	<u>-</u>	<u>5,270,299</u>
EXPENDITURES / EXPENSES:							
Current:							
Contracted Master District services	-	815,758	-	-	815,758	-	815,758
Water purchases	-	502,914	-	-	502,914	-	502,914
Repairs and maintenance	27,996	637,305	-	-	665,301	-	665,301
Operations/management	4,759	408,804	-	-	413,563	-	413,563
Utilities and telephone	-	616,919	-	-	616,919	-	616,919
Sludge hauling	-	235,494	-	-	235,494	-	235,494
Chemicals and lab fees	-	169,467	-	-	169,467	-	169,467
Lease expenditures	-	192,000	-	-	192,000	-	192,000
Permit fees	-	2,800	-	-	2,800	-	2,800
Security services	-	16,584	-	-	16,584	-	16,584
Landscape services	-	155,342	-	-	155,342	-	155,342
Director fees	-	10,657	-	-	10,657	-	10,657
Legal fees	38,286	40,427	-	-	78,713	-	78,713
Engineering fees	-	348,093	-	-	348,093	-	348,093
Accounting fees	18,000	78,000	-	-	96,000	-	96,000
Audit fees	10,875	16,125	-	-	27,000	-	27,000
Tax appraisal/collection fees	1,729	2,292	756	-	4,777	-	4,777
Other consulting fees	876	16,681	383	-	17,940	-	17,940
Insurance	400	73,303	-	-	73,703	-	73,703
Miscellaneous	34	31,768	2,000	-	33,802	-	33,802
Debt Service -							
Bond principal	-	-	2,930,000	-	2,930,000	(2,930,000)	-
Bond interest	-	-	2,693,602	-	2,693,602	436,251	3,129,853
Fiscal agent fees and other	-	-	7,300	-	7,300	-	7,300
Bond issuance costs	-	-	831,651	-	831,651	(81,644)	750,007
Capital outlay	-	811,504	-	-	811,504	(811,504)	-
Depreciation	-	-	-	-	-	1,956,334	1,956,334
Amortization	-	-	-	-	-	815,488	815,488
TOTAL EXPENDITURES / EXPENSES	<u>102,955</u>	<u>5,182,237</u>	<u>6,465,692</u>	<u>-</u>	<u>11,750,884</u>	<u>(615,075)</u>	<u>11,135,809</u>
Excess (deficiency) of revenues over expenditures/expenses	<u>238,902</u>	<u>(476,395)</u>	<u>(6,281,815)</u>	<u>38,723</u>	<u>(6,480,585)</u>	<u>615,075</u>	<u>(5,865,510)</u>
OTHER FINANCING SOURCES (USES) -							
Proceeds from refunding bonds	-	-	18,710,000	-	18,710,000	(18,710,000)	-
Bond premium	-	-	1,453,809	-	1,453,809	(1,453,809)	-
Payments to refunding bond escrow agent	-	-	(19,317,930)	-	(19,317,930)	19,317,930	-
Operating transfer	-	331,160	-	(331,160)	-	-	-
Intergovernmental contributions	-	(532,614)	5,293,893	-	4,761,279	-	4,761,279
TOTAL OTHER FINANCING SOURCES (USES) -	<u>-</u>	<u>(201,454)</u>	<u>6,139,772</u>	<u>(331,160)</u>	<u>5,607,158</u>	<u>(845,879)</u>	<u>4,761,279</u>
NET CHANGE IN FUND BALANCES	<u>238,902</u>	<u>(677,849)</u>	<u>(142,043)</u>	<u>(292,437)</u>	<u>(873,427)</u>	<u>873,427</u>	<u>-</u>
CHANGE IN NET POSITION						<u>(1,104,231)</u>	<u>(1,104,231)</u>
FUND BALANCES/ NET POSITION:							
Beginning of the year	<u>1,386,088</u>	<u>4,048,838</u>	<u>4,573,761</u>	<u>4,224,315</u>	<u>14,233,002</u>	<u>(15,071,121)</u>	<u>(838,119)</u>
End of the year	<u>\$ 1,624,990</u>	<u>\$ 3,370,989</u>	<u>\$ 4,431,718</u>	<u>\$ 3,931,878</u>	<u>\$ 13,359,575</u>	<u>\$ (15,301,925)</u>	<u>\$ (1,942,350)</u>

The accompanying notes are an integral part of this statement.

**NOTES TO THE
FINANCIAL STATEMENTS**

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the District relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles (GAAP) as applied to governmental entities. Generally accepted accounting principles 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 an order of the Texas State Legislature under House Bill 1606, passed by the 74th Legislature, regular session, 1995, as signed by the Governor on June 16, 1995. The District operates under Chapters 49 and 54 of the Texas Water Code pursuant to Article 16, Section 59 of the Texas Constitution. The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors which has been elected by District residents or appointed by the Board of Directors. The District is not included in any other governmental "reporting entity" as defined by GASB Standards, since 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 in 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").

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

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

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

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

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. 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 expense on the District's capital assets, including infrastructure.

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.
- **Special Revenue Fund** – The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The primary sources of revenues are water, wastewater and water quality service fees to end-users and contributions from participating districts.
- **Debt Service Fund** – The Debt Service Fund is used to account for the resources restricted, committed or assigned for the payment of debt principal, interest and related costs.
- **Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources restricted, committed or assigned for the acquisition or construction of major capital facilities.

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Governmental Fund Types (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 net current assets. 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 immature principal and interest on general obligation long-term debt which is recognized when due. This exception is in conformity with generally accepted accounting principles.

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

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

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Budgets and Budgetary Accounting - A budget was adopted on September 3, 2019, for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. The budget was not amended during the 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 Directors are considered to be “employees” for federal payroll tax purposes only.

Cash and Cash Equivalents – Includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of common trust funds, money market funds, and obligations in the State Treasurer’s Investment Pool, are recorded at amortized cost.

Investments - Investments, consisting of United States treasury instruments, certificates of deposit and obligations in the State Treasurer’s Investment Pool are recorded at amortized cost.

Capital Assets - Capital assets, which includes Land, Common and Recreation Areas, Water System, Wastewater System and Water Quality/Detention Ponds are reported in the government-wide column in the Statement of Net Position. Public domain ("infrastructure") capital assets including water, wastewater and drainage systems, are capitalized. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at estimated acquisition value at the time received. Interest incurred during construction of capital facilities is not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Common and Recreation Areas	5 - 30
Water/Wastewater/Drainage System	10 - 50

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

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Long-Term Debt - Combination unlimited tax and contract 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.

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. The District does not have any nonspendable fund balances.
- *Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.
- *Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.
- *Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has assigned \$2,759,852 of its Special Revenue Fund fund balance to cover projected 2021 budget deficits.
- *Unassigned*: all other spendable amounts in the General Fund.

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

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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		\$ 13,359,575
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds -		
Deferred charges on bond refunding	3,472,139	
Less: Accumulated amortization	(2,871,366)	600,773
Intangible assets	10,753,884	
Less: Accumulated amortization	(7,259,250)	3,494,634
Capital assets	85,890,550	
Less: Accumulated depreciation	(21,200,572)	64,689,978
Prepaid bond insurance premium, net		151,283
Revenue is recognized when earned in the government-wide statements, regardless of availability. Governmental funds report deferred revenue for revenues earned but not available		10
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds -		
Bonds payable	(82,175,000)	
Bond (premium)/discount, net	(1,839,538)	(84,014,538)
Accrued interest		(224,065)
Net Position - Governmental Activities		<u>\$ (1,942,350)</u>

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

Net Change in Fund Balances - Governmental Funds		\$ (873,427)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report -		
Capital expenditures in period purchased	811,504	
Bond principal in year paid	2,930,000	
Interest expenditures in year paid	(436,251)	
Bond insurance premium in year paid	81,644	
Bond proceeds and discount as other financing source/(use)	(845,879)	2,541,018
Governmental funds do not report -		
Depreciation	(1,956,334)	
Amortization	(815,488)	(2,771,822)
Change in Net Position - Governmental Activities		<u>\$ (1,104,231)</u>

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

3. CASH AND INVESTMENTS

The investment policies of the District are governed by State statute and an adopted District investment policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's investment policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third party trustees.

Cash - At September 30, 2020, the carrying amount of the District's deposits was \$351,522 and the bank balance was \$335,722. The bank balance was covered by federal depository insurance and other pledged collateral.

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; and
- 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; and
- Public funds investment pools rated AAA or AAA-m by a nationally recognized rating agency.

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

3. CASH AND INVESTMENTS (continued) –

At September 30, 2020, the District held the following investments:

Investment	Fair Value at 9/30/2020	Governmental Fund				Investment Rating	
		General	Special Revenue	Debt Service	Capital Projects	Rating	Rating Agency
U.S. Gov. MM	\$ 2,579,445	\$ -	\$ -	\$ 2,579,445	\$ -	AAAm	Standard & Poors
Money Market	1,153,282	169,898	983,384	-	-	Various	Various
State Investment Pool	10,475,467	2,142,266	2,504,703	1,868,604	3,959,894	AAAm	Standard & Poors
	<u>\$ 14,208,194</u>	<u>\$ 2,312,164</u>	<u>\$ 3,488,087</u>	<u>\$ 4,448,049</u>	<u>\$ 3,959,894</u>		

(1) Restricted for Payment of Master District Activities including Operations and Debt Service.

(2) Restricted for Payment of Debt Service and Cost of Assessing and Collecting Taxes.

(3) Restricted for Purchase of Capital Assets.

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and 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.

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, 2020, 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 government's investment policy requires that the District's deposits be fully insured by FDIC insurance or collateralized with Obligations of the United States or its agencies and instrumentalities. As of September 30, 2020, the District's bank deposits were covered by FDIC insurance and other pledged collateral.

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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 tax rates for the 2019 tax year on September 3, 2019.

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 2019 tax roll. The tax rate, based on total taxable assessed valuation of \$122,724,876 was \$0.7296 on each \$100 valuation and was allocated as follows:

	<u>Tax Rate</u>
General Fund	\$ 0.2641
Special Revenue Fund	0.3500
Debt Service Fund	0.1155
	<u><u>\$ 0.7296</u></u>

The maximum allowable maintenance tax of \$1.00 was established by the voters on November 7, 1995.

Property taxes receivable at September 30, 2020, consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Current year levy	\$ -	\$ -	\$ -	\$ -
Prior years' levies	1	9	-	10
	<u>\$ 1</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 10</u>

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

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

5. CONTRACT TAXES

At an election held November 7, 1995, voters authorized a contract tax on all property within the District subject to taxation. During the year ended September 30, 2020, the District levied an ad valorem tax at the rate of \$0.35 per \$100 of assessed valuation, which resulted in a tax levy of \$429,552 on taxable valuation of \$122,724,876 for the 2019 tax year. This contract tax was used to pay for its pro rata share of interest on Travis County Municipal Utility District No. 4's bonds as well as for operations and maintenance costs and reserve requirements on Master District Facilities as described in Note 9.

6. INTERFUND ACCOUNTS

A summary of interfund accounts at September 30, 2020, is as follows:

	Interfund	
	Receivables	Payables
General Fund -		
Special Revenue Fund - Master	\$ -	\$ 327,194
Special Revenue Fund - Participant	-	379,997
Debt Service Fund - Participant	458	-
Special Revenue Fund -		
General Fund	707,191	-
Special Revenue Fund - Master	534,617	-
Special Revenue Fund - Participant	-	534,617
Debt Service Fund - Master	15,317	-
Debt Service Fund - Participant	450	307
Capital Projects Fund - Master	28,429	-
Debt Service Fund -		
General Fund	-	458
Special Revenue Fund - Master	-	15,317
Special Revenue Fund - Participant	307	450
Capital Projects Fund	-	413
Capital Projects Fund -		
Special Revenue Fund - Master	-	28,429
Debt Service Fund - Master	413	-
	<u>\$ 1,287,182</u>	<u>\$ 1,287,182</u>

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

7. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 10/1/2019	Additions	Deletions	Balance 9/30/2020
Capital assets not being depreciated:				
Land	\$ 372,733	\$ -	\$ -	\$ 372,733
Construction in Progress	380,946	163,425	(336,066)	208,305
	<u>753,679</u>	<u>163,425</u>	<u>(336,066)</u>	<u>581,038</u>
Capital assets being depreciated:				
Water/Wastewater/Drainage System	84,325,367	984,144	-	85,309,511
Total capital assets being depreciated	<u>84,325,367</u>	<u>984,144</u>	<u>-</u>	<u>85,309,511</u>
Less accumulated depreciation for:				
Water/Wastewater/Drainage System	(19,244,237)	(1,956,334)	-	(21,200,571)
Total accumulated depreciation	<u>(19,244,237)</u>	<u>(1,956,334)</u>	<u>-</u>	<u>(21,200,571)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>65,081,130</u>	<u>(972,190)</u>	<u>-</u>	<u>64,108,940</u>
Total capital assets, net	<u>\$ 65,834,809</u>	<u>\$ (808,765)</u>	<u>\$ (336,066)</u>	<u>\$ 64,689,978</u>

8. BONDED DEBT

The following is a summary of bond transactions of the District for the year ended September 30, 2020:

	Combination Unlimited Tax Bonds
Bonds payable at October 1, 2019	\$ 85,565,000
Bonds issued	18,710,000
Bonds refunded	(19,170,000)
Bonds retired	(2,930,000)
Subtotal	<u>82,175,000</u>
Less: Unamortized premium/discount, net	<u>1,839,538</u>
Bonds payable at September 30, 2020	<u>\$ 84,014,538</u>

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

8. BONDED DEBT (continued) -

Bonds payable at September 30, 2020, were comprised of the following individual issues:

Unlimited Contract Tax Bonds:

\$5,725,000 – 2015A Unlimited Contract Tax Bonds (Master District) are paid serially through the year 2039 at interest rates which range from 2.00% - 3.75%. The Master District reserves the right to redeem, prior to maturity, those bonds maturing after 9/01/2022 in whole or from time to time in part, on September 1, 2021 or any date thereafter. Term bonds maturing on 9/01/2027, 9/1/2033 and 9/1/2037 are subject to mandatory sinking fund requirements.

\$12,900,000 – 2016A Unlimited Contract Tax Bonds (Master District) are paid serially through the year 2040 at interest rates which range from 2.00% - 3.00%. The Master District reserves the right to redeem, prior to maturity, those bonds maturing after 9/01/2024 in whole or from time to time in part, on September 1, 2023 or any date thereafter. Term bonds maturing on 9/01/2031, 9/1/2035, 9/1/2037 and 9/1/2040 are subject to mandatory sinking fund requirements.

\$15,915,000 – 2017A Unlimited Contract Tax Bonds (Master District) are paid serially through the year 2041 at interest rates which range from 2.00% - 3.50%. The Master District reserves the right to redeem, prior to maturity, those bonds maturing after 9/01/2025 in whole or from time to time in part, on September 1, 2024 or any date thereafter.

\$7,990,000 – 2019 Unlimited Contract Tax Bonds (Master District) are paid serially through the year 2043 at interest rates which range from 3.625% - 5.00%. The Master District reserves the right to redeem, prior to maturity, those bonds maturing after 9/01/2027 in whole or from time to time in part, on September 1, 2025 or any date thereafter. Term bonds maturing on 9/01/2027 and 9/1/2039 are subject to mandatory sinking fund requirements.

Refunding Bonds:

\$560,000 – 2007 Unlimited Contract Tax Refunding Bonds (Participant District) are paid serially through the year 2024 at interest rates which range from 4.40% to 4.60%. Bonds maturing on 9/01/2014 to 9/01/2024 are callable in whole or in part on any date beginning 9/01/2013 at par.

\$1,085,000 – 2011 Unlimited Contract Tax Refunding Bonds (Master District) are paid serially through the year 2022 at interest rates of 3.00%.

\$520,000 – 2012 Unlimited Contract Tax Refunding Bonds (Master District) are paid serially through the year 2021 at an interest rate of 3.25%.

\$850,000 – 2013 Unlimited Contract Tax Refunding Bonds (Master District) are paid serially through the year 2022 at interest rates of 3.00%.

\$2,780,000 – 2015 Unlimited Contract Tax Refunding Bonds (Master District) are paid serially through the year 2030 at interest rates which range from 3.00% to 3.25%. The Master District reserves the right to redeem, prior to maturity, those bonds maturing on or after September 1, 2024, in whole or from time to time in part, on September 1, 2021 or any date thereafter. Term bonds maturing on 9/01/2024 and 9/1/2027 are subject to mandatory sinking fund requirements.

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

8. BONDED DEBT (continued) -

Refunding Bonds:

\$9,445,000 – 2016 Unlimited Contract Tax Refunding Bonds (Master District) are paid serially through the year 2035 at interest rates which range from 2.00% to 4.00%. The Master District reserves the right to redeem, prior to maturity, those bonds maturing on or after September 1, 2023, in whole or from time to time in part, on September 1, 2022 or any date thereafter. Term bonds maturing on 9/01/2023 and 9/1/2032 are subject to mandatory sinking fund requirements.

\$5,745,000 – 2017 Unlimited Contract Tax Refunding Bonds (Master District) are paid serially through the year 2037 at interest rates which range from 3.40% to 4.00%. The Master District reserves the right to redeem, prior to maturity, those bonds maturing on or after September 1, 2025, in whole or from time to time in part, on September 1, 2024 or any date thereafter. Term bonds maturing on 9/01/2036 are subject to mandatory sinking fund requirements.

\$13,625,000 – 2019A Unlimited Contract Tax Refunding Bonds (Master District) are paid serially through the year 2032 at interest rates which range from 2.00% to 4.00%. The Master District reserves the right to redeem, prior to maturity, those bonds maturing on or after September 1, 2028, in whole or from time to time in part, on September 1, 2027 or any date thereafter.

\$5,035,000 – 2020 Unlimited Contract Tax Refunding Bonds (Master District) are paid serially through the year 2033 at interest rates which range from 2.25% to 4.00%. The Master District reserves the right to redeem, prior to maturity, those bonds maturing on or after September 1, 2028, in whole or from time to time in part, on September 1, 2027 or any date thereafter.

The unlimited contract tax bonds and refunding bonds are secured by and payable from a first lien and pledge of ad valorem taxes of the District. The annual requirement to amortize all bonded debt at September 30, 2020, including interest, is as follows:

Year Ended September 30,	Principal	Interest	Total
2021	\$ 2,780,000	\$ 2,683,532	\$ 5,463,532
2022	2,870,000	2,608,362	5,478,362
2023	2,910,000	2,535,191	5,445,191
2024	3,045,000	2,453,291	5,498,291
2025	2,990,000	2,367,391	5,357,391
2026 - 2030	16,950,000	10,280,844	27,230,844
2031 - 2035	20,885,000	7,378,410	28,263,410
2036 - 2040	22,820,000	3,593,639	26,413,639
2041 - 2043	6,925,000	479,750	7,404,750
	<u>\$ 82,175,000</u>	<u>\$ 34,380,410</u>	<u>\$ 116,555,410</u>

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

8. BONDED DEBT (continued) –

Principal and interest on the bonds are payable from and secured by an unconditional obligation to make certain payments by the participating districts in the applicable service area pursuant to the contracts described in Note 9. The participants have each agreed to pay a pro rata share of the debt service of the bonds based on the certified assessed valuation of each participant as a percentage of the total assessed valuation of all participating districts.

In accordance with the regional contracts described in Note 9, the District shall calculate and bill on or before September 1 of each year, or as soon thereafter as practical, the amount of contract tax payments from each participant for the following year. The contract tax payments are payable by the participants semiannually, on April 1 and October 1 of each year, for the June 1 and December 1 debt service requirements. The following is a summary of the participants and their initial assessed valuations and anticipated contract tax payments for the year ended September 30, 2021:

	Initial Assessed Valuation	2021 Contract Tax Payment Due
Travis County Municipal Utility District No. 3	\$ 722,882,732	\$ 2,505,163
Travis County Municipal Utility District No. 4	173,252,725	600,410
Travis County Municipal Utility District No. 5	335,279,648	1,161,918
Travis County Municipal Utility District No. 6	145,350,982	503,716
Travis County Municipal Utility District No. 7	1,644,765	5,700
Travis County Municipal Utility District No. 8	149,472,984	518,001
Travis County Municipal Utility District No. 9	3,886,962	13,470
	<u>\$ 1,531,770,798</u>	<u>\$ 5,308,378</u>

\$4,431,718 is available in the Debt Service Fund to service the bonded debt. Tax bonds authorized but not issued amounted to \$6,915,000 at September 30, 2020 for the participating district.

On October 8, 2019, the District issued unlimited contract tax refunding bonds of \$13,630,000 (par value) with interest rates ranging from 2.00% to 4.00% to currently refund \$1,810,000 of Series 2011 unlimited contract tax refunding bonds with interest rates of 3.15% to 4.00%, \$4,060,000 of Series 2012 unlimited contract tax refunding bonds with interest rates of 3.25% and \$8,340,000 of Series 2013 unlimited contract tax bonds with interest rates of 3.00% - 3.50%. The bonds had maturity dates of September 1, 2022 through September 1, 2032. The first optional redemption date was November 12, 2019. The unlimited tax refunding bonds were issued at par plus a re-offering premium and, after paying issuance costs of \$592,905, the net proceeds were \$14,274,256. The net proceeds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the Series 2011, 2012 and 2013 bonds are paid. The advance refunding met the requirements of an in-substance debt defeasance and the Series 2011, 2012 and 2013 bonds were removed from bonds payable. The reacquisition price exceeded the net carrying amount of the old debt by \$64,256. This amount is netted against the new debt and amortized over the life of the refunded debt which is the same as the life of the new debt issued. The advance refunding resulted in an economic gain of \$520,278.

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

8. BONDED DEBT (continued) –

On June 30, 2020, the District issued unlimited contract tax refunding bonds of \$5,080,000 (par value) with interest rates ranging from 2.25% to 4.00% to currently refund \$4,960,000 of Series 2014 unlimited contract tax refunding bonds with interest rates of 3.00% to 3.75%. The bonds had maturity dates of September 1, 2021 through September 1, 2033. The first optional redemption date was September 1, 2020. The unlimited tax refunding bonds were issued at par plus a re-offering premium and, after paying issuance costs of \$238,746, the net proceeds were \$5,043,674. The net proceeds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the Series 2014 bonds are paid. The advance refunding met the requirements of an in-substance debt defeasance and the Series 2014 bonds were removed from bonds payable. The reacquisition price exceeded the net carrying amount of the old debt by \$83,674. This amount is netted against the new debt and amortized over the life of the refunded debt which is the same as the life of the new debt issued. The advance refunding resulted in an economic gain of \$410,849.

9. FINANCING AND OPERATION OF REGIONAL FACILITIES

The District entered into regional contracts whereby the District agreed to provide or cause to be provided the regional water supply and delivery facilities and the regional waste collection, treatment, and disposal facilities necessary to serve the participating districts. The contracts are as follows:

District	Date of Agreement
Travis County Municipal Utility District No. 3	September 22, 1995
Travis County Municipal Utility District No. 4	September 21, 1995
Travis County Municipal Utility District No. 5	September 18, 1995
Travis County Municipal Utility District No. 6	September 21, 1995
Travis County Municipal Utility District No. 7	September 19, 1995
Travis County Municipal Utility District No. 8	September 20, 1995
Travis County Municipal Utility District No. 9	September 21, 1995

Master District Service Fees

The Master District charges service fees that are based on an annual budget and provides for all Master District operation and maintenance costs and a three-month operation and maintenance reserve. The Master District currently has two wholesale customers that pay service fees according to contracted agreements. Service fees charged to other participants are calculated using accounting estimates based upon actual flows and assigned living unit equivalents (LUE's). Revenues billed and collected by the Master District for each participant district are offset against allocated service fees.

During the current fiscal year, the District was charged \$427,641 for its allocated Master District operation and maintenance expenditures and reserve requirements. Additionally, the District received a credit of \$36,883 for its capital reserve requirements to fund construction of certain projects in the next fiscal year.

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

9. FINANCING AND OPERATION OF REGIONAL FACILITIES (continued) -

Master District Debt Service Expenditures

The Master District is authorized to issue contract revenue bonds sufficient to complete acquisition and construction of the facilities as needed to serve all districts in the service area. Each participating district contributes to the payment of debt service requirements of the bonds based on the certified assessed valuation of each participant as a percentage of the total assessed valuation of all participating districts. During the current fiscal year, the District was billed \$425,000 to satisfy the District's pro rata share of the principal and interest on the Master District's bonds.

The District's pro rata share of future Master District debt service payments will vary from year to year based on annual assessed valuations established by the Travis Central Appraisal District for all of the Districts. For the fiscal year ending September 30, 2021, the District's pro rata share is currently expected to approximate 11.3% of the total Master District debt service payments.

Transaction Summary

Transactions for the year ended September 30, 2020, are summarized as follows:

	Receivable/ (Payable) Balance, 10/1/2019	Current Fiscal Year Billings/ (Credits)	Capital Reserve Billings/ (Credits)	Participant District Expenses	Receivable/ (Payable) Balance, 9/30/2020
Travis County M.U.D. No. 3	\$ (578,968)	\$ (90,262)	\$ (234,164)	\$ 125,623	\$ (777,771)
Travis County M.U.D. No. 4	436,684	427,641	(36,883)	33,719	861,161
Travis County M.U.D. No. 5	(120,875)	(203,715)	(44,664)	18,669	(350,585)
Travis County M.U.D. No. 6	(637,191)	(114,485)	(53,678)	17,600	(787,754)
Travis County M.U.D. No. 7	94,860	15,994	(497)	-	110,357
Travis County M.U.D. No. 8	888,382	104,843	(32,833)	3,235	963,627
Travis County M.U.D. No. 9	72,924	762	(1,281)	59	72,464
	<u>\$ 155,816</u>	<u>\$ 140,778</u>	<u>\$ (404,000)</u>	<u>\$ 198,905</u>	<u>\$ 91,499</u>

10. WATER CONTRACT

The Master District has contracted with the Lower Colorado River Authority to purchase water for municipal purposes until November 30, 2051 and water for irrigation purposes until June 26, 2023.

11. ECONOMIC DEPENDENCY

The Participant District is substantially dependent upon one customer for continuing operations.

12. COMMITMENTS AND CONTINGENCIES

The developers of the land within the District have incurred costs for construction of facilities, as well as costs pertaining to the creation and operation of the District. Claims for reimbursement of construction costs and operational advances 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, subject to approval by the Texas Commission on Environmental Quality, or from operations. On November 7, 1995, a bond election held within the District approved authorization to issue \$8,850,000 of participant district bonds to fund costs of proposed works, improvements, facilities, plants, equipment, appliances and non-construction costs based upon the District's engineer's report. As of September 30, 2020, the District has issued \$1,935,000 of Unlimited Tax Bonds to reimburse developers.

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

13. 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 and the Texas Municipal League Intergovernmental Risk Pool (TML Pool) 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.

The TML Pool was established by various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board. Rates are estimated to include all claims expected to occur during the policy including claims incurred but not reported. The TML Pool has established Claims Reserves for each of the types of insurance offered. Although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contribution rate for subsequent years. Members may receive returns of contributions if actual results are more favorable than estimated.

14. DEFICIT - NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets had a deficit balance of \$11,145,992 at September 30, 2020. This is primarily attributable to capitalized interest, bond proceeds transferred to the General Fund, bond issuance costs and depreciation/amortization expense associated with the District's bond issues.

15. ECONOMIC UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SEPTEMBER 30, 2020**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Property taxes, including penalties	\$ 324,167	\$ 324,155	\$ 12
Interest	17,690	33,000	(15,310)
TOTAL REVENUES	<u>341,857</u>	<u>357,155</u>	<u>(15,298)</u>
EXPENDITURES:			
Current:			
Repairs/maintenance	27,996	128,000	100,004
Operations/management fees	4,759	5,400	641
Legal fees	38,286	42,000	3,714
Audit fees	10,875	12,000	1,125
Accounting fees	18,000	18,000	-
Other consulting fees	876	1,000	124
Insurance	400	-	(400)
Tax appraisal/collection	1,729	2,300	571
Public notice	-	1,000	1,000
Other	34	6,000	5,966
TOTAL EXPENDITURES	<u>102,955</u>	<u>215,700</u>	<u>112,745</u>
NET CHANGE IN FUND BALANCE	238,902	<u>\$ 141,455</u>	<u>\$ 97,447</u>
FUND BALANCE :			
Beginning of the year	1,386,088		
End of the year	<u>\$ 1,624,990</u>		

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
COMBINING GOVERNMENTAL
FUNDS BALANCE SHEET -
SPECIAL REVENUE FUND
SEPTEMBER 30, 2020**

	Master District	Participating District	Total
<u>ASSETS</u>			
Cash and cash equivalents -			
Cash	\$ 324,692	\$ -	\$ 324,692
Cash equivalents	3,480,493	7,594	3,488,087
Receivables -			
Water, wastewater and water quality fees, net of allowance for doubtful accounts of \$ -0-	887,038	-	887,038
Property tax revenues, including penalties	-	9	9
Interfund	905,557	380,447	1,286,004
Prepaid Lease/Deferred Rent	16,000	-	16,000
Other	39,225	-	39,225
TOTAL ASSETS	\$ 5,653,005	\$ 388,050	\$ 6,041,055
<u>LIABILITIES</u>			
Accounts payable	\$ 530,587	\$ -	\$ 530,587
Refundable deposits	477,082	-	477,082
Interfund payable	-	534,924	534,924
Intergovernmental payable	1,127,464	-	1,127,464
TOTAL LIABILITIES	2,135,133	534,924	2,670,057
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Property taxes	-	9	9
TOTAL DEFERRED INFLOWS OF RESOURCES	-	9	9
<u>FUND BALANCE</u>			
Restricted for Contracted Master District expenditures	758,020	(146,883)	611,137
Assigned for 2021 budget deficit	2,759,852	-	2,759,852
TOTAL FUND BALANCE	3,517,872	(146,883)	3,370,989
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 5,653,005	\$ 388,050	\$ 6,041,055

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
COMBINING GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
SPECIAL REVENUE FUND
SEPTEMBER 30, 2020**

	Master District	Participating District	Total
REVENUES -			
Water, wastewater, and water quality fees, including penalties	\$ 4,131,408	\$ -	\$ 4,131,408
Tap connection fees	95,575	-	95,575
Property tax revenues, including penalties	-	429,603	429,603
Interest	24,166	1,331	25,497
Miscellaneous	23,759	-	23,759
TOTAL REVENUES	4,274,908	430,934	4,705,842
EXPENDITURES -			
Current -			
Contracted Master District services	-	815,758	815,758
Water purchases	502,914	-	502,914
Repairs and maintenance	637,305	-	637,305
Operations/management	408,804	-	408,804
Utilities and telephone	616,919	-	616,919
Sludge hauling	235,494	-	235,494
Chemicals and lab fees	169,467	-	169,467
Lease expenditures	192,000	-	192,000
Permit fees	2,800	-	2,800
Security services	16,584	-	16,584
Landscape services	155,342	-	155,342
Director fees, including payroll taxes	10,657	-	10,657
Legal fees	40,427	-	40,427
Engineering fees	348,093	-	348,093
Accounting fees	78,000	-	78,000
Audit fees	16,125	-	16,125
Tax appraisal/collection fees	-	2,292	2,292
Other consulting fees	15,520	1,161	16,681
Insurance	73,303	-	73,303
Miscellaneous	31,768	-	31,768
Capital outlay	811,504	-	811,504
TOTAL EXPENDITURES	4,363,026	819,211	5,182,237
Excess/(deficiency) of revenues over expenditures	(88,118)	(388,277)	(476,395)
OTHER FINANCING SOURCES/(USES) -			
Intergovernmental contributions	(532,614)	-	(532,614)
Operating Transfer	331,160	-	331,160
TOTAL OTHER FINANCING SOURCES/(USES)	(201,454)	-	(201,454)
NET CHANGE IN FUND BALANCES	(289,572)	(388,277)	(677,849)
FUND BALANCE -			
Beginning of Year	3,807,444	241,394	4,048,838
End of year	\$ 3,517,872	\$ (146,883)	\$ 3,370,989

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**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
COMBINING BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND
SEPTEMBER 30, 2020**

	Master District		Variance
	Actual	Budget	Favorable (Unfavorable)
REVENUES -			
Water, wastewater, and water quality fees, including penalties	\$ 4,131,408	\$ 3,843,000	\$ 288,408
Tap connection fees	95,575	42,000	53,575
Property tax revenues, including penalties	-	-	-
Interest	24,166	36,000	(11,834)
Miscellaneous	23,759	23,760	(1)
TOTAL REVENUES	<u>4,274,908</u>	<u>3,944,760</u>	<u>330,148</u>
EXPENDITURES -			
Current -			
Contracted Master District services	-	-	-
Water purchases	502,914	574,912	71,998
Repairs and maintenance	637,305	923,400	286,095
Operations/management	408,804	409,656	852
Utilities and telephone	616,919	626,660	9,741
Sludge hauling	235,494	108,000	(127,494)
Chemicals and lab fees	169,467	216,600	47,133
Lease expenditures	192,000	192,000	-
Permit fees	2,800	10,750	7,950
Security services	16,584	16,584	-
Landscape services	155,342	232,200	76,858
Director fees	10,657	12,150	1,493
Legal fees	40,427	72,000	31,573
Engineering fees	348,093	264,000	(84,093)
Accounting fees	78,000	78,000	-
Audit fees	16,125	18,000	1,875
Tax appraisal/collection fees	-	-	-
Other consulting fees	15,520	25,000	9,480
Insurance	73,303	73,500	197
Miscellaneous	31,768	26,400	(5,368)
Capital outlay	811,504	3,134,000	2,322,496
TOTAL EXPENDITURES	<u>4,363,026</u>	<u>7,013,812</u>	<u>2,650,786</u>
Excess/(deficiency) of revenues over expenditures	<u>(88,118)</u>	<u>(3,069,052)</u>	<u>2,980,934</u>
OTHER FINANCING USES -			
Intergovernmental contributions	(532,614)	-	(532,614)
Operating Transfer	331,160	1,200,000	(868,840)
TOTAL OTHER FINANCING USES	<u>(201,454)</u>	<u>1,200,000</u>	<u>(1,401,454)</u>
NET CHANGE IN FUND BALANCES	<u>(289,572)</u>	<u>\$ (1,869,052)</u>	<u>\$ 1,579,480</u>
Fund balance, beginning of year	<u>3,807,444</u>		
Fund balance, end of year	<u>\$ 3,517,872</u>		

Participating District			Total		
Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 4,131,408	\$ 3,843,000	\$ 288,408
-	-	-	95,575	42,000	53,575
429,603	-	429,603	429,603	-	429,603
1,331	-	1,331	25,497	36,000	(10,503)
-	-	-	23,759	23,760	(1)
430,934	-	430,934	4,705,842	3,944,760	761,082
815,758	-	(815,758)	815,758	-	(815,758)
-	-	-	502,914	574,912	71,998
-	-	-	637,305	923,400	286,095
-	-	-	408,804	409,656	852
-	-	-	616,919	626,660	9,741
-	-	-	235,494	108,000	(127,494)
-	-	-	169,467	216,600	47,133
-	-	-	192,000	192,000	-
-	-	-	2,800	10,750	7,950
-	-	-	16,584	16,584	-
-	-	-	155,342	232,200	76,858
-	-	-	10,657	12,150	1,493
-	-	-	40,427	72,000	31,573
-	-	-	348,093	264,000	(84,093)
-	-	-	78,000	78,000	-
-	-	-	16,125	18,000	1,875
2,292	-	(2,292)	2,292	-	(2,292)
1,161	-	(1,161)	16,681	25,000	8,319
-	-	-	73,303	73,500	197
-	-	-	31,768	26,400	(5,368)
-	-	-	811,504	3,134,000	2,322,496
819,211	-	(819,211)	5,182,237	7,013,812	1,831,575
(388,277)	-	(388,277)	(476,395)	(3,069,052)	2,592,657
-	-	-	(532,614)	-	(532,614)
-	-	-	331,160	1,200,000	(868,840)
-	-	-	(201,454)	1,200,000	(1,401,454)
(388,277)	\$ -	\$ (388,277)	(677,849)	\$ (1,869,052)	\$ 1,191,203
241,394			4,048,838		
\$ (146,883)			\$ 3,370,989		

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
COMBINING GOVERNMENTAL
FUNDS BALANCE SHEET -
DEBT SERVICE FUND
SEPTEMBER 30, 2020**

	Master District	Participating District	Total
<u>ASSETS</u>			
Cash and cash equivalents -			
Cash	\$ -	\$ -	\$ -
Cash equivalents	1,785,160	83,444	1,868,604
Investments	2,579,445	-	2,579,445
Receivables -			
Interfund	-	307	307
TOTAL ASSETS	\$ 4,364,605	\$ 83,751	\$ 4,448,356
<u>LIABILITIES</u>			
Interfund payable	\$ 14,430	\$ 2,208	\$ 16,638
TOTAL LIABILITIES	14,430	2,208	16,638
<u>FUND BALANCE</u>			
Restricted for debt service	4,350,175	81,543	4,431,718
TOTAL FUND BALANCE	4,350,175	81,543	4,431,718
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,364,605	\$ 83,751	\$ 4,448,356

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
COMBINING GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
DEBT SERVICE FUND
SEPTEMBER 30, 2020**

	Master District	Participating District	Total
REVENUES -			
Property tax revenues, including penalties	\$ -	\$ 141,769	\$ 141,769
Interest	41,036	1,072	42,108
TOTAL REVENUES	<u>41,036</u>	<u>142,841</u>	<u>183,877</u>
EXPENDITURES -			
Current -			
Tax appraisal/collection fees	-	756	756
Other consulting fees	-	383	383
Debt service -			
Bond principal	2,810,000	120,000	2,930,000
Bond interest	2,663,199	30,403	2,693,602
Fiscal agent fees and other	6,900	400	7,300
Miscellaneous	2,000	-	2,000
Bond issuance costs	831,651	-	831,651
TOTAL EXPENDITURES	<u>6,313,750</u>	<u>151,942</u>	<u>6,465,692</u>
Excess/(deficiency) of revenues over expenditures	<u>(6,272,714)</u>	<u>(9,101)</u>	<u>(6,281,815)</u>
OTHER FINANCING SOURCES / (USES) -			
Proceeds from refunding bonds	18,710,000	-	18,710,000
Bond premium	1,453,809	-	1,453,809
Payments to refunding bond escrow agent	(19,317,930)	-	(19,317,930)
Intergovernmental contributions	5,293,893	-	5,293,893
TOTAL OTHER FINANCING SOURCES / (USES)	<u>6,139,772</u>	<u>-</u>	<u>6,139,772</u>
NET CHANGE IN FUND BALANCES	(132,942)	(9,101)	(142,043)
FUND BALANCE -			
Beginning of year	<u>4,483,117</u>	<u>90,644</u>	<u>4,573,761</u>
End of year	<u>\$ 4,350,175</u>	<u>\$ 81,543</u>	<u>\$ 4,431,718</u>

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
COMBINING GOVERNMENTAL
FUNDS BALANCE SHEET -
CAPITAL PROJECTS FUND
SEPTEMBER 30, 2020**

	Master District	Participating District	Total
<u>ASSETS</u>			
Cash and cash equivalents -			
Cash	\$ -	\$ -	\$ -
Cash equivalents	3,959,894	-	3,959,894
Receivables -			
Interfund	413	-	413
TOTAL ASSETS	\$ 3,960,307	\$ -	\$ 3,960,307
<u>LIABILITIES</u>			
Interfund payable	\$ 28,429	\$ -	\$ 28,429
TOTAL LIABILITIES	28,429	-	28,429
<u>FUND BALANCE</u>			
Restricted for authorized construction	3,931,878	-	3,931,878
TOTAL FUND BALANCE	3,931,878	-	3,931,878
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,960,307	\$ -	\$ 3,960,307

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
COMBINING GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
CAPITAL PROJECTS FUND
SEPTEMBER 30, 2020**

	Master District	Participating District	Total
REVENUES -			
Interest	\$ 38,723	\$ -	\$ 38,723
TOTAL REVENUES	<u>38,723</u>	<u>-</u>	<u>38,723</u>
Excess/(deficiency) of revenues over expenditures	<u>38,723</u>	<u>-</u>	<u>38,723</u>
OTHER FINANCING SOURCES/(USES) -			
Operating transfer	(331,160)	-	(331,160)
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(331,160)</u>	<u>-</u>	<u>(331,160)</u>
NET CHANGE IN FUND BALANCES	(292,437)	-	(292,437)
FUND BALANCE -			
Beginning of year	<u>4,224,315</u>	<u>-</u>	<u>4,224,315</u>
End of year	<u>\$ 3,931,878</u>	<u>\$ -</u>	<u>\$ 3,931,878</u>

TEXAS
SUPPLEMENTARY INFORMATION

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**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-1. SERVICES AND RATES
SEPTEMBER 30, 2020**

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

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Retail Water | <input checked="" type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater | <input checked="" type="checkbox"/> Wholesale Wastewater | <input checked="" type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input checked="" type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) | | |
| <input type="checkbox"/> 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:	\$ 20.00	2,000	N	\$ 2.70	2,001 to 20,000
				\$ 3.00	20,001 to 50,000
				\$ 3.25	50,001 to 100,000
				\$ 3.75	100,001 to 150,000
				\$ 4.50	150,001 to unlimited
WASTEWATER:	\$ 36.00	2,000	N	\$ 2.90	2,001 to Winter Average
SURCHARGE:	\$ -	-	-	\$ -	

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

Total charges per 10,000 gallons usage: Water \$ 41.60 Wastewater \$ 59.20

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
Unmetered	1.0	1.0	1.0	1.0
≤ 3/4"	42.0	42.0	1.0	42.0
1"	1.0	1.0	2.5	2.5
1 1/2"	1.0	1.0	5.0	5.0
2"	3.0	3.0	8.0	24.0
3"	4.0	4.0	15.0	60.0
4"	1.0	1.0	25.0	25.0
6"	0.0	0.0	50.0	0.0
8"	7.0	7.0	80.0	560.0
10"	0.0	0.0	115.0	0.0
Total Water	60.0	60.0		719.5
Total Wastewater	188.0	188.0	1.0	188.0

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

Gallons pumped into system: 294,963

Gallons billed to customers: 286,675

Water Accountability Ratio

(Gallons billed / Gallons Pumped)

97.2%

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: N/A

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

Entirely ☒ Partly ☐ Not at all ☐

ETJ's in which district is located: Austin

Are Board members appointed by an office outside the district?

Yes ☐ No ☒

If Yes, by whom? _____

⁽¹⁾ District services provided by Travis County M.U.D. No. 4 (Master District).

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-2. GENERAL FUND EXPENDITURES
SEPTEMBER 30, 2020**

Personnel Expenditures (including benefits)	\$ -
Professional Fees:	
Auditing	10,875
Legal	38,286
Engineering	-
Financial Advisor	-
Purchased Services For Resale:	
Bulk Water and Wastewater Purchases	-
Contracted Services:	
Bookkeeping	18,000
General Manager	4,759
Appraisal District	1,396
Tax Collector	333
Other Contracted Services	876
Utilities	-
Repairs and Maintenance	27,996
Administrative Expenditures:	
Directors' Fees	-
Office Supplies	-
Insurance	400
Other Administrative Expenditures	-
Capital Outlay:	
Capitalized Assets	-
Expenditures not Capitalized	-
Tap Connection Expenditures	-
Solid Waste Disposal	-
Fire Fighting	-
Parks and Recreation	-
Other Expenditures	34
TOTAL EXPENDITURES	\$ 102,955

Number of persons employed by the District:

☐ Full-Time ☐ Part-Time

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-3. TEMPORARY INVESTMENTS
SEPTEMBER 30, 2020**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
General Fund -					
Money Market Account	XXX2695	Varies	N/A	\$ 169,898	\$ -
State Investment Pool	XXX0004	Varies	N/A	2,142,266	-
Total				2,312,164	-
Special Revenue Fund -					
State Investment Pool	XXX0001	Varies	N/A	2,497,109	-
Money Market Account	XXX2709	Varies	N/A	983,384	-
State Investment Pool	XXX0006	Varies	N/A	7,594	-
Total				3,488,087	-
Debt Service Fund -					
U. S. Government Money Market	XXX337.1	Varies	N/A	36,655	-
State Investment Pool	XXX0002	Varies	N/A	1,785,160	-
U. S. Government Money Market	XXX337.2	Varies	N/A	2,542,790	-
State Investment Pool	XXX0005	Varies	N/A	83,444	-
Total				4,448,049	-
Capital Projects Fund -					
State Investment Pool	XXX0013	Varies	N/A	667,958	-
State Investment Pool	XXX0014	Varies	N/A	557,089	-
State Investment Pool	XXX0015	Varies	N/A	590,522	-
State Investment Pool	XXX0016	Varies	N/A	2,144,325	-
Total				3,959,894	-
Total - All Funds				\$ 14,208,194	\$ -

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-4. TAXES LEVIED AND RECEIVABLE
SEPTEMBER 30, 2020**

		<u>Maintenance Taxes</u>	<u>Contract Taxes</u>	<u>Debt Service Taxes</u>
Taxes Receivable, Beginning of Year		\$ 1	\$ 9	\$ -
2019 Original Tax Levy, less abatements		324,128	429,552	141,752
Total to be accounted for		324,129	429,561	141,752
Tax collections:				
Current year		324,128	429,552	141,752
Prior years		-	-	-
Total collections		324,128	429,552	141,752
Taxes Receivable, End of Year		<u>\$ 1</u>	<u>\$ 9</u>	<u>\$ -</u>
Taxes Receivable, By Years				
1997		\$ 1	\$ 9	\$ -
2019		-	-	-
Taxes Receivable, End of Year		<u>\$ 1</u>	<u>\$ 9</u>	<u>\$ -</u>
Property Valuations:	2019 (a)	2018 (a)	2017 (a)	2016 (a)
Land and improvements	\$ 122,724,876	\$ 79,723,722	\$ 103,778,774	\$ 99,346,884
Personal Property	-	-	-	-
Total Property Valuations	<u>\$ 122,724,876</u>	<u>\$ 79,723,722</u>	<u>\$ 103,778,774</u>	<u>\$ 99,346,884</u>
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.2641	\$ 0.2236	\$ 0.2801	\$ 0.2855
Contract tax rates	0.3500	0.3500	0.3500	0.3500
Debt Service tax rates	0.1155	0.1560	0.0995	0.0941
Total Tax Rates per \$100 Valuation:	<u>\$ 0.7296</u>	<u>\$ 0.7296</u>	<u>\$ 0.7296</u>	<u>\$ 0.7296</u>
Original Tax Levy	<u>\$ 895,432</u>	<u>\$ 581,664</u>	<u>\$ 757,170</u>	<u>\$ 724,835</u>
Percent of Taxes Collected to Taxes Levied *	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Maximum Maintenance Tax Rate Approved by Voters:	<u>\$ 1.00 on 11/7/1995.</u>			

*Calculated as taxes collected in current and previous years divided by tax levy.

(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.

TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
SEPTEMBER 30, 2020

Fiscal Year Ending	(Participant District)			(Master District)			(Master District)			(Master District)			(Master District)		
	Unlimited Refunding Tax Bonds, SR 2007			Unlimited Contract Tax Refunding Bonds, SR 2011			Unlimited Contract Tax Refunding Bonds, SR 2012			Unlimited Contract Tax Refunding Bonds, SR 2013			Unlimited Contract Tax Refunding Bonds, SR 2015		
	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total
2021	\$ 130,000	\$ 25,153	\$ 155,153	\$ 530,000	\$ 32,550	\$ 562,550	\$ 520,000	\$ 16,900	\$ 536,900	\$ 325,000	\$ 25,500	\$ 350,500	\$ 25,000	\$ 90,100	\$ 115,100
2022	135,000	19,433	154,433	555,000	16,650	571,650	-	-	-	525,000	15,750	540,750	25,000	89,350	114,350
2023	145,000	13,425	158,425	-	-	-	-	-	-	-	-	-	25,000	88,600	113,600
2024	150,000	6,900	156,900	-	-	-	-	-	-	-	-	-	25,000	87,850	112,850
2025	-	-	-	-	-	-	-	-	-	-	-	-	30,000	87,100	117,100
2026	-	-	-	-	-	-	-	-	-	-	-	-	30,000	86,125	116,125
2027	-	-	-	-	-	-	-	-	-	-	-	-	40,000	85,150	125,150
2028	-	-	-	-	-	-	-	-	-	-	-	-	825,000	83,850	908,850
2029	-	-	-	-	-	-	-	-	-	-	-	-	860,000	57,038	917,038
2030	-	-	-	-	-	-	-	-	-	-	-	-	895,000	29,088	924,088
2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 560,000</u>	<u>\$ 64,911</u>	<u>\$ 624,911</u>	<u>\$ 1,085,000</u>	<u>\$ 49,200</u>	<u>\$ 1,134,200</u>	<u>\$ 520,000</u>	<u>\$ 16,900</u>	<u>\$ 536,900</u>	<u>\$ 850,000</u>	<u>\$ 41,250</u>	<u>\$ 891,250</u>	<u>\$ 2,780,000</u>	<u>\$ 784,251</u>	<u>\$ 3,564,251</u>

TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
SEPTEMBER 30, 2020

Fiscal Year Ending	(Master District)			(Master District)			(Master District)			(Master District)			(Master District)		
	Unlimited Contract Tax Bonds, SR 2015A			Unlimited Contract Tax Refunding Bonds, SR 2016			Unlimited Contract Tax Bonds, SR 2016A			Unlimited Contract Tax Refunding Bonds, SR 2017			Unlimited Contract Tax Bonds, SR 2017A		
	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total
2021	\$ 25,000	\$ 203,913	\$ 228,913	\$ 155,000	\$ 374,700	\$ 529,700	\$ 475,000	\$ 343,488	\$ 818,488	\$ 15,000	\$ 213,090	\$ 228,090	\$ 540,000	\$ 472,763	\$ 1,012,763
2022	25,000	203,413	228,413	5,000	371,600	376,600	475,000	333,988	808,988	15,000	212,490	227,490	555,000	461,963	1,016,963
2023	25,000	202,850	227,850	265,000	371,400	636,400	500,000	324,488	824,488	15,000	211,890	226,890	575,000	450,863	1,025,863
2024	50,000	202,225	252,225	255,000	360,800	615,800	525,000	314,488	839,488	15,000	211,290	226,290	595,000	439,363	1,034,363
2025	50,000	200,725	250,725	265,000	350,600	615,600	550,000	303,988	853,988	15,000	210,690	225,690	615,000	427,463	1,042,463
2026	50,000	199,225	249,225	265,000	340,000	605,000	575,000	292,988	867,988	15,000	210,090	225,090	635,000	409,013	1,044,013
2027	50,000	197,725	247,725	235,000	329,400	564,400	600,000	281,488	881,488	20,000	209,490	229,490	655,000	389,963	1,044,963
2028	5,000	196,225	201,225	5,000	320,000	325,000	5,000	269,488	274,488	20,000	208,690	228,690	675,000	370,313	1,045,313
2029	5,000	196,063	201,063	5,000	319,800	324,800	5,000	269,363	274,363	20,000	207,890	227,890	695,000	350,063	1,045,063
2030	50,000	195,900	245,900	5,000	319,600	324,600	5,000	269,238	274,238	20,000	207,090	227,090	720,000	329,213	1,049,213
2031	50,000	194,275	244,275	35,000	319,400	354,400	625,000	269,113	894,113	20,000	206,290	226,290	745,000	307,613	1,052,613
2032	50,000	192,650	242,650	730,000	318,000	1,048,000	650,000	253,488	903,488	20,000	205,490	225,490	770,000	285,263	1,055,263
2033	50,000	191,025	241,025	1,600,000	288,800	1,888,800	675,000	235,613	910,613	20,000	204,690	224,690	795,000	262,163	1,057,163
2034	100,000	189,400	289,400	2,755,000	224,800	2,979,800	700,000	217,050	917,050	25,000	203,890	228,890	820,000	238,313	1,058,313
2035	100,000	185,900	285,900	2,865,000	114,600	2,979,600	725,000	196,050	921,050	25,000	202,890	227,890	845,000	213,713	1,058,713
2036	100,000	182,400	282,400	-	-	-	750,000	174,300	924,300	2,680,000	201,890	2,881,890	875,000	187,306	1,062,306
2037	100,000	178,900	278,900	-	-	-	775,000	151,800	926,800	2,785,000	94,690	2,879,690	900,000	159,963	1,059,963
2038	2,400,000	175,400	2,575,400	-	-	-	1,150,000	128,550	1,278,550	-	-	-	930,000	130,713	1,060,713
2039	2,440,000	85,400	2,525,400	-	-	-	1,375,000	94,050	1,469,050	-	-	-	960,000	100,488	1,060,488
2040	-	-	-	-	-	-	1,760,000	52,800	1,812,800	-	-	-	990,000	69,288	1,059,288
2041	-	-	-	-	-	-	-	-	-	-	-	-	1,025,000	35,875	1,060,875
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 5,725,000</u>	<u>\$ 3,573,614</u>	<u>\$ 9,298,614</u>	<u>\$ 9,445,000</u>	<u>\$ 4,723,500</u>	<u>\$ 14,168,500</u>	<u>\$ 12,900,000</u>	<u>\$ 4,775,819</u>	<u>\$ 17,675,819</u>	<u>\$ 5,745,000</u>	<u>\$ 3,422,530</u>	<u>\$ 9,167,530</u>	<u>\$ 15,915,000</u>	<u>\$ 6,091,678</u>	<u>\$ 22,006,678</u>

TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
SEPTEMBER 30, 2020

Fiscal Year Ending	(Master District) Unlimited Contract Tax Bonds, SR 2019			(Master District) Unlimited Contract Tax Refunding Bonds, SR 2019A			(Master District) Unlimited Contract Tax Refunding Bonds, SR 2020			Annual Requirements for all Series		
	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal Due 09/01	Interest Due 03/01:09/01	Total	Principal	Interest	Total
2021	\$ 5,000	\$ 296,250	\$ 301,250	\$ -	\$ 460,850	\$ 460,850	\$ 35,000	\$ 128,275	\$ 163,275	\$ 2,780,000	\$ 2,683,532	\$ 5,463,532
2022	5,000	296,000	301,000	510,000	460,850	970,850	40,000	126,875	166,875	2,870,000	2,608,362	5,478,362
2023	5,000	295,750	300,750	1,315,000	450,650	1,765,650	40,000	125,275	165,275	2,910,000	2,535,191	5,445,191
2024	10,000	295,500	305,500	1,375,000	411,200	1,786,200	45,000	123,675	168,675	3,045,000	2,453,291	5,498,291
2025	10,000	295,000	305,000	1,410,000	369,950	1,779,950	45,000	121,875	166,875	2,990,000	2,367,391	5,357,391
2026	10,000	294,500	304,500	1,465,000	327,650	1,792,650	45,000	120,075	165,075	3,090,000	2,279,666	5,369,666
2027	10,000	294,000	304,000	1,565,000	269,050	1,834,050	45,000	118,275	163,275	3,220,000	2,174,541	5,394,541
2028	10,000	293,500	303,500	1,465,000	206,450	1,671,450	460,000	116,475	576,475	3,470,000	2,064,991	5,534,991
2029	25,000	293,000	318,000	1,225,000	147,850	1,372,850	850,000	102,675	952,675	3,690,000	1,943,742	5,633,742
2030	25,000	291,750	316,750	1,275,000	98,850	1,373,850	485,000	77,175	562,175	3,480,000	1,817,904	5,297,904
2031	25,000	290,750	315,750	1,340,000	60,600	1,400,600	965,000	66,262	1,031,262	3,805,000	1,714,303	5,519,303
2032	25,000	289,750	314,750	680,000	20,400	700,400	990,000	44,550	1,034,550	3,915,000	1,609,591	5,524,591
2033	25,000	288,750	313,750	-	-	-	990,000	22,275	1,012,275	4,155,000	1,493,316	5,648,316
2034	25,000	287,750	312,750	-	-	-	-	-	-	4,425,000	1,361,203	5,786,203
2035	25,000	286,844	311,844	-	-	-	-	-	-	4,585,000	1,199,997	5,784,997
2036	15,000	285,938	300,938	-	-	-	-	-	-	4,420,000	1,031,834	5,451,834
2037	5,000	285,394	290,394	-	-	-	-	-	-	4,565,000	870,747	5,435,747
2038	5,000	285,213	290,213	-	-	-	-	-	-	4,485,000	719,876	5,204,876
2039	25,000	285,031	310,031	-	-	-	-	-	-	4,800,000	564,969	5,364,969
2040	1,800,000	284,125	2,084,125	-	-	-	-	-	-	4,550,000	406,213	4,956,213
2041	1,900,000	218,875	2,118,875	-	-	-	-	-	-	2,925,000	254,750	3,179,750
2042	2,000,000	150,000	2,150,000	-	-	-	-	-	-	2,000,000	150,000	2,150,000
2043	2,000,000	75,000	2,075,000	-	-	-	-	-	-	2,000,000	75,000	2,075,000
	<u>\$ 7,990,000</u>	<u>\$ 6,258,670</u>	<u>\$ 14,248,670</u>	<u>\$ 13,625,000</u>	<u>\$ 3,284,350</u>	<u>\$ 16,909,350</u>	<u>\$ 5,035,000</u>	<u>\$ 1,293,737</u>	<u>\$ 6,328,737</u>	<u>\$ 82,175,000</u>	<u>\$ 34,380,410</u>	<u>\$ 116,555,410</u>

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-6. CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2020**

	(Participant) Series 2007	(Master) Series 2011	(Master) Series 2012	(Master) Series 2013	(Master) Series 2014	(Master) Series 2015	(Master) Series 2015A	(Master) Series 2016
Interest Rate	4.40% - 4.60%	3.00% - 4.00%	3.25%	3.00%		3.00% - 3.25%	2.00% - 3.75%	2.00% - 4.00%
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
Maturity Dates	09/01/2024	09/01/2027	09/01/2028	09/01/2032		09/01/2030	09/01/2039	09/01/2035
Bond Outstanding at Beginning of Current Fiscal Year	\$ 680,000	\$ 3,405,000	\$ 5,445,000	\$ 9,290,000	\$ 5,195,000	\$ 2,805,000	\$ 5,750,000	\$ 9,450,000
Bonds Sold During the Current Fiscal Year	-	-	-	-	-	-	-	-
Retirements During the Current Fiscal Year:								
Refunded	-	(1,810,000)	(4,060,000)	(8,340,000)	(4,960,000)	-	-	-
Principal	(120,000)	(510,000)	(865,000)	(100,000)	(235,000)	(25,000)	(25,000)	(5,000)
Bonds Outstanding at End of Current Fiscal Year	<u>\$ 560,000</u>	<u>\$ 1,085,000</u>	<u>\$ 520,000</u>	<u>\$ 850,000</u>	<u>\$ -</u>	<u>\$ 2,780,000</u>	<u>\$ 5,725,000</u>	<u>\$ 9,445,000</u>
Interest Paid During the Current Fiscal Year	<u>\$ 30,403</u>	<u>\$ 47,850</u>	<u>\$ 45,012</u>	<u>\$ 27,500</u>	<u>\$ 91,769</u>	<u>\$ 90,600</u>	<u>\$ 204,412</u>	<u>\$ 374,800</u>
Paying Agent's Name & City:	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>
Bond Authority:	Master							
	<u>District Bonds</u>	<u>Tax Bonds *</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>				
Amount Authorized by Voters	N/A	\$ 8,850,000	\$ -	N/A				
Amount Issued	<u>\$103,645,000</u>	<u>1,935,000</u>	<u>-</u>	<u>\$ 87,080,000</u>				
Remaining To Be Issued	<u>N/A</u>	<u>\$ 6,915,000</u>	<u>\$ -</u>	<u>N/A</u>				

* 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 Investments balances as of September 30, 2020:	<u>\$ 4,448,049</u>
Average Annual Debt Service Payment (Principal & Interest) for the remaining term of all debt:	<u>\$ 5,067,627</u>

(Master) Series 2016A	(Master) Series 2017	(Master) Series 2017A	(Master) Series 2019	(Master) Series 2019A	(Master) Series 2020	Totals
2.00% - 3.00%	3.40% - 4.00%	2.00% - 3.50%	3.625% - 5.00%	2.00% - 4.00%	2.25% - 4.00%	
3/1;9/1	3/1;9/1	3/1;9/1	3/1;9/1	3/1;9/1	3/1;9/1	
09/01/2040	09/01/2037	09/01/2041	09/01/2043	09/01/2032	09/01/2033	
\$ 13,350,000	\$ 5,760,000	\$ 16,440,000	\$ 7,995,000	\$ -	\$ -	\$ 85,565,000
-	-	-	-	13,630,000	5,080,000	18,710,000
-	-	-	-	-	-	(19,170,000)
(450,000)	(15,000)	(525,000)	(5,000)	(5,000)	(45,000)	(2,930,000)
<u>\$ 12,900,000</u>	<u>\$ 5,745,000</u>	<u>\$ 15,915,000</u>	<u>\$ 7,990,000</u>	<u>\$ 13,625,000</u>	<u>\$ 5,035,000</u>	<u>\$ 82,175,000</u>
<u>\$ 352,488</u>	<u>\$ 213,390</u>	<u>\$ 483,262</u>	<u>\$ 296,500</u>	<u>\$ 413,575</u>	<u>\$ 22,041</u>	<u>\$ 2,693,602</u>
<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	<u>UMB Bank</u> <u>Austin, Texas</u>	

TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-7. COMPARATIVE SCHEDULE OF REVENUES
AND EXPENDITURES - FIVE YEARS
SEPTEMBER 30, 2020

	Amounts				
	2020	2019	2018	2017	2016
GENERAL FUND REVENUES -					
Property taxes, including penalties	\$ 324,167	\$ 178,280	\$ 157,222	\$ 367,150	\$ 310,370
Interest and other	17,690	42,039	44,274	10,171	4,479
TOTAL GENERAL FUND REVENUES	341,857	220,319	201,496	377,321	314,849
GENERAL FUND EXPENDITURES -					
Current -					
Repairs/maintenance	27,996	115,382	55,203	24,164	18,832
Inspections	-	5,175	8,500	-	-
Operations/management fees	4,759	4,522	4,297	4,418	4,517
Legal fees	38,286	42,568	41,658	36,403	33,462
Audit fees	10,875	11,325	11,125	12,250	12,000
Accounting fees	18,000	18,000	18,000	18,000	18,000
Tax appraisal/collection	1,729	1,031	1,928	2,092	1,915
Other consulting fees	876	690	864	912	851
Insurance	400	400	400	400	400
Miscellaneous	34	33	-	20	2,000
TOTAL GENERAL FUND EXPENDITURES	102,955	199,126	141,975	98,659	91,977
EXCESS (DEFICIENCY) OF GENERAL FUND REVENUES OVER EXPENDITURES	\$ 238,902	\$ 21,193	\$ 59,521	\$ 278,662	\$ 222,872
DEBT SERVICE FUND REVENUES -					
Bond proceeds	\$ -	\$ 61,034	\$ 362,390	\$ -	\$ 846,083
Proceeds from refunding issue, including bond premium	20,163,809	-	-	5,822,746	10,233,014
Intergovernmental contributions	5,293,893	5,036,460	4,590,404	4,420,132	4,046,246
Property taxes, including penalties	141,769	124,382	56,076	121,011	122,143
Interest	42,108	130,804	101,105	40,920	20,650
TOTAL DEBT SERVICE FUND REVENUES & OTHER FINANCING SOURCES	25,641,579	5,352,680	5,109,975	10,404,809	15,268,136
DEBT SERVICE FUND EXPENDITURES -					
Bond interest	2,693,602	2,738,787	2,552,080	2,160,915	1,863,472
Bond principal	2,930,000	2,750,000	2,480,000	2,075,000	1,720,000
Bond principal - payments to escrow agent	19,317,930	-	-	5,564,081	9,879,126
Capital outlay - bond issue costs	831,651	9,500	-	264,877	376,506
Fiscal agent fees and other	10,439	15,000	3,692	9,991	10,389
TOTAL DEBT SERVICE FUND EXPENDITURES & OTHER FINANCING USES	25,783,622	5,513,287	5,035,772	10,074,864	13,849,493
EXCESS (DEFICIENCY) OF DEBT SERVICE FUND REVENUES & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES	\$ (142,043)	\$ (160,607)	\$ 74,203	\$ 329,945	\$ 1,418,643
TOTAL ACTIVE RETAIL WATER CONNECTIONS	60	60	52	52	52
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	188	188	188	188	188

Percent of Fund Total Revenues				
2020	2019	2018	2017	2016
94.8%	80.9%	78.0%	97.3%	98.6%
5.2%	19.1%	22.0%	2.7%	1.4%
100%	100%	100%	100%	100%
8.2%	52.4%	27.4%	6.4%	6.0%
0.0%	2.3%	4.2%	-	-
1.4%	2.1%	2.1%	1.2%	1.4%
11.2%	19.3%	20.8%	9.7%	10.6%
3.2%	5.1%	5.5%	3.2%	3.8%
5.3%	8.2%	8.9%	4.8%	5.7%
0.5%	0.5%	1.0%	0.6%	0.6%
0.3%	0.3%	0.4%	0.2%	0.3%
0.1%	0.2%	0.2%	0.1%	0.1%
-	-	-	-	0.6%
30.2%	90.4%	70.5%	26.2%	29.1%
69.8%	9.6%	29.5%	73.8%	70.9%
-	1.1%	7.1%	-	5.6%
78.5%	-	-	56.0%	67.0%
20.6%	94.1%	89.8%	42.5%	26.5%
0.6%	2.3%	1.1%	1.2%	0.8%
0.3%	2.5%	1.9%	0.3%	0.1%
100%	100%	100%	100%	100%
10.5%	51.2%	49.9%	20.8%	12.2%
11.4%	51.4%	48.5%	19.9%	11.2%
75.3%	-	-	53.5%	64.7%
3.2%	0.2%	-	2.5%	2.5%
-	0.3%	0.1%	0.1%	0.1%
100.4%	103.1%	98.5%	96.8%	90.7%
(0.4)%	(3.1)%	1.5%	3.2%	9.3%

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2020**

Complete District Mailing Address:	100 Congress Ave., Suite 1300, Austin, TX 78701
District Business Telephone Number:	(512) 435-2300
Submission Date of the most recent District Registration Form TWC Sections 36.054 & 49.054):	December 1, 2020
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 *	Expense Reimbursements	9/30/2020	9/30/2020	Title at Year End
<u>Board Members:</u>						
Doug Connolly	(Elected) 11/8/2016 - 11/3/2020	\$ 1,800	\$ 131			President
Bill F. Schneider	(Elected) 11/6/2018 - 11/8/2022	\$ 1,800	\$ -			Vice-President
Wayne Basden	(Elected) 11/8/2016 - 11/3/2020	\$ 1,950	\$ 160			Secretary
H. Edward Padgett, Jr.	(Elected) 11/6/2018 - 11/8/2022	\$ 2,700	\$ -			Treasurer
Daniel M. Dukes	(Elected) 11/8/2016 - 11/3/2020	\$ 1,650	\$ 441			Assistant Secretary/Treasurer
<u>Consultants:</u>						
Crossroads Utility Services, LLC	3/12/2010	\$ 1,859,539	\$ -			General Manager
Armbrust & Brown PLLC	11/20/1995	\$ 68,950 \$ 98,150	\$ - \$ -			Attorney Bond Related Services
Murfee Engineering Co., Inc.	12/01/1998	\$ 655,966	\$ -			Engineer
Bott & Douthitt, PLLC	7/1/2009	\$ 96,000	\$ -			District Accountant
Public Finance Group LLC	4/17/2014	\$ 5,750 \$ 232,105	\$ - \$ -			Financial Advisor Bond Related Services
McCall Parkhurst & Horton L.L.P.	11/20/1995	\$ 190,800	\$ -			Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	7/1/2008	\$ 27,000	\$ -			Auditor
Travis County Tax Collector	N/A	\$ 920	\$ -			Tax Collector

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

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**OTHER
SUPPLEMENTARY INFORMATION**

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**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
OSI-1. PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2020**

Taxpayer	Type of Property	Tax Roll Year		
		2020	2019	2018
Barton Creek Resort & Clubs Inc.	N/A	\$ 160,935,076	\$ 110,833,516	\$ 67,232,035
Owners Club at Barton Creek L.P.	N/A	8,699,405	8,699,405	8,807,240
Omni Barton Creek Inc.	N/A	1,804,792	1,503,395	1,641,359
TCF National Bank	N/A	1,012,453	1,265,566	1,557,621
Encore Event Technologies Inc.	N/A	299,402	30,753	98,987
AT&T Mobility LLC	N/A	157,459	207,147	149,240
Sprint Spectrum LP	N/A	95,841	-	-
Cellco Partnership		73,669	55,827	71,878
Stratus Properties Operating Company LP	N/A	55,738	55,738	55,738
Stewart Organization Inc.	N/A	44,830	13,525	24,318
Brech Spradley Golf Academy LLC	N/A	-	23,225	-
Modular Space Corporation	N/A	-	-	27,855
Total		<u>\$ 173,178,665</u>	<u>\$ 122,688,097</u>	<u>\$ 79,666,271</u>
Percent of Assessed Valuation		<u>99.96%</u>	<u>99.97%</u>	<u>99.93%</u>

Source: Travis County Appraisal District

**TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 4
OSI-2. ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2020**

Type of Property	Tax Roll Year					
	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Single Family Residence	\$ 8,360,105	4.9%	\$ 8,360,105	6.9%	\$ 8,467,940	10.6%
Vacant Lot	405,399	0.2%	405,399	0.3%	404,896	0.5%
Commercial	160,932,415	92.9%	110,830,855	90.3%	67,229,877	84.3%
Telephone Company	237,431	0.1%	270,498	0.2%	228,384	0.3%
Commercial Personal Property	3,317,375	1.9%	2,858,019	2.3%	3,392,625	4.3%
Totally Exempt Property	3,500	-	3,708	-	3,897	-
Less: Adjustments	(3,500)	-	(3,708)	-	(3,897)	-
Total Taxable	<u>\$ 173,252,725</u>	<u>100%</u>	<u>\$ 122,724,876</u>	<u>100%</u>	<u>\$ 79,723,722</u>	<u>100%</u>

Source: Travis County Appraisal District

APPENDIX C
FORM OF BOND COUNSEL OPINION

[An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.]

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4
UNLIMITED CONTRACT TAX REFUNDING BONDS, SERIES 2020
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$8,505,000**

AS BOND COUNSEL FOR TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4 (the "Master District") of the bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which bear interest from the dates specified in the text of the Bonds, until maturity or redemption, at the rates and payable on the dates specified in the text of the Bonds all in accordance with the resolution of the Board of Directors of the Master District adopted on March 2, 2021 authorizing the issuance of the Bonds and the pricing certificate of the pricing officer executed on the date of sale of the Bonds (collectively, the "Resolution").

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the Master District, and other documents authorizing and relating to the issuance of said Bonds, including one of the executed Bonds (Bond Numbered T-1) and specimens of Bonds to be authenticated and delivered in exchange for the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION THAT the Bonds have been authorized and issued and the Bonds delivered concurrently with this opinion have been duly delivered, and that, assuming due authentication, Bonds issued in exchange therefor will have been duly delivered, in accordance with law, and that said Bonds, except as the enforceability thereof may be limited by laws applicable to the Master District relating to governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted related to creditors' rights generally or by general principles of equity which permit the exercise of judicial discretion, constitute valid and legally binding, limited and special obligations of the Master District that, together with the Outstanding Contract Bonds, are equally and ratably secured by a trust indenture dated as of April 3, 2012 (the "Indenture") between the Master District and UMB Bank, N.A., as successor trustee to BOKF, NA, (the "Trustee"), pursuant to which the Master District has granted, conveyed, assigned and pledged to the Trustee certain "Pledged Revenues", which include (1) certain pledged contract payments under the Contracts for Financing and Operation of Regional Waste Collection, Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage Including Water Quality Facilities, as dated therein, between the Master District and the various participants (the "Master District Contracts"); (2) all amounts from time to time on deposit in the debt service fund and reserve fund held by the Trustee pursuant to the



Indenture; and (3) all other property which may subsequently be pledged as additional security for the Bonds.

THE MASTER DISTRICT reserves the right to issue Additional Contract Bonds; bonds, notes, and other obligations of inferior liens; and such other obligations authorized by law including, bonds payable from contracts with other persons, including private corporations, municipalities, and political subdivisions

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on the Verification Report of Public Finance Partners LLC, and assume compliance by the Master District with certain representations and covenants, regarding the use and investment of the proceeds of the Bonds, and the use of the property financed or refinanced therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Master District to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Master District as the taxpayer. We observe that the Master District has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of



the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Master District, and, in that capacity, we have been engaged by the Master District for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Master District or the Participants, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Master District and the Participants as to the current outstanding indebtedness of and the assessed valuation of taxable property within the Master District and the Participants, respectively. Our role in connection with the Master District's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

APPENDIX D
SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), 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 AGM, 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 AGM shall have received Notice of Nonpayment, AGM 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 AGM, 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 AGM. 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 AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM 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, AGM 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 AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM 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 AGM 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 AGM 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.

AGM 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 AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM 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 AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM 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 AGM 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 AGM, 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 MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100