OFFICIAL STATEMENT DATED SEPTEMBER 22, 2020

In the opinion of Bond Counsel, assuming continuing compliance by the District (defined herein) after the date of initial delivery of the Bonds described below (the "Bonds") with certain covenants contained in the Bond Order (defined below) authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), and (2) will not be a specific preference item for purposes of the federal alternative minimum tax (see "TAX MATTERS" herein).

The District has **not** designated the Bonds as "qualified tax-exempt obligations" for financial institutions.

NEW ISSUE – Book Entry Only

S&P (AGM Insured).."AA"
Moody's (AGM Insured).."A2"
Moody's (Underlying).."Baa3"
See "MUNICIPAL BOND INSURANCE" and "MUNICIPAL BOND RATINGS."

$6,150,000

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

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

UNLIMITED TAX ROAD BONDS

SERIES 2020

Dated: October 1, 2020 | Due: October 1, as shown on inside cover

The $6,150,000 Unlimited Tax Road Bonds, Series 2020 (the "Bonds"), are obligations of Rockwall County Municipal Utility District No. 6 (the "District") and are not obligations of the State of Texas; Rockwall County, Texas; the City of Fate, Texas; or any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Rockwall County, Texas; the City of Fate, Texas; nor any entity other than the District is pledged to the payment of principal of or interest on the Bonds.

Interest on the Bonds accrues from October 1, 2020 and is payable on April 1, 2021, and on each October 1 and April 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption and will be calculated on the basis of a 360-day year composed of twelve, thirty-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, New York, New York ("DTC"), acting as securities depository for the Bonds until DTC resigns or is discharged. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (herein defined) to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The District has designated Regions Bank, an Alabama state banking corporation, in Houston, Texas, as the initial paying agent/registrar ("Paying Agent/Registrar") for the Bonds.

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

The Bonds represent the fifth series of unlimited tax road bonds to be issued by the District from a total of $25,270,000 principal amount of unlimited tax bonds authorized by voters of the District for the purpose of constructing or acquiring a road system serving the District and the eighth series of unlimited tax bonds issued by the District. See "THE BONDS – Authority for Issuance."

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS – Source of Payment."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP**.

ASSURED GUARANTY MUNICIPAL

The Bonds are subject to certain investment considerations described herein. Prior to making an investment decision, prospective purchasers of the Bonds are encouraged to read this entire Official Statement, including particularly the section titled "INVESTMENT CONSIDERATIONS."

The Bonds are offered, when, as and if issued by the District, subject, among other things, to the approval of the Attorney General of Texas and the approval of certain legal matters by Winstead PC, Dallas, Texas, Bond Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about October 28, 2020.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Maturity October 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Maturity October 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2022	$ 50,000	4.500%	0.550%	77427E GZ9	2025	$ 50,000	4.500%	0.900%	77427E HC9
2023	50,000	4.500%	0.650%	77427E HA3	2026	50,000	4.500%	1.000%	77427E HD7
2024	45,000	4.500%	0.800%	77427E HB1					

$210,000 Term Bonds due October 1, 2030 (c) (d) Interest Rate 2.000% (Price: $101.118) (a) CUSIP No. 77427E HH8 (b)

$360,000 Term Bonds due October 1, 2036 (c) (d) Interest Rate 2.000% (Price: $97.985) (a) CUSIP No. 77427E HP0 (b)

$5,335,000 Term Bonds due October 1, 2050 (c) (d) Interest Rate 2.500% (Price: $98.956) (a) CUSIP No. 77427E JD5 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser (herein defined). Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first call date. Accrued interest from October 1, 2020, is to be added to the price.

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds. None of the District, Financial Advisor, or Initial Purchaser shall be responsible for the selection or correctness of the CUSIP numbers.

(c) The Bonds maturing on and after October 1, 2027, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on October 1, 2026, or any date thereafter, at a price equal to the principal thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption of the Bonds – *Optional Redemption*."

(d) Subject to mandatory redemption by lot or other customary method of random selection on October 1 in the years and in the amounts set forth herein under "THE BONDS – Redemption of the Bonds – *Mandatory Redemption*."

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 District.

This Official Statement does not constitute, and is not authorized by the 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.

All of the summaries of the statutes, orders, contracts, records, and engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Robert W. Baird & Co. Incorporated 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 that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof; however, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, the other matters described in the Official Statement until delivery of the Bonds to the Initial Purchaser, and thereafter only as specified in "OFFICIAL STATEMENT – Updating of Official Statement."

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 "MUNICIPAL BOND INSURANCE" and "APPENDIX B – Specimen Municipal Bond Insurance Policy."

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SALE AND DISTRIBUTION OF THE BONDS

Award and Marketing of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser") to purchase the Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" at a price of 97.005634% of the principal amount thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 2.614716% as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended.

Prices and Marketability

The District has no control over the reoffering yields or prices of the Bonds or 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 prices of the Bonds may be greater than the difference between the bid and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser. The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial reoffering prices, including sales to dealers who may sell the Bonds into investment accounts.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdictions. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds should 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 jurisdictions.

MUNICIPAL 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, as of October 1, 2019, 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 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 December 19, 2019, 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 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, 2019.

Capitalization of AGM

At June 30, 2020:

- The policyholders' surplus of AGM was approximately $2,667 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $1,018 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 $2,048 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 (Europe) plc ("AGE UK") and Assured Guaranty (Europe) SA ("AGE SA"), 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 AGE UK and AGE SA were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to 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, 2019 (filed by AGL with the SEC on February 28, 2020);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 (filed by AGL with the SEC on August 7, 2020).

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 "MUNICIPAL 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 this heading "MUNICIPAL BOND INSURANCE."

MUNICIPAL BOND RATINGS

The Bonds have received an insured rating of "AA" from S&P solely in reliance upon the issuance of the municipal bond insurance policy by AGM at the time of delivery of the Bonds. An explanation of the ratings of S&P may only be obtained from S&P. S&P is located at 55 Water Street, New York, New York 10041, telephone number (212) 208-8000 and has engaged in providing ratings for corporate bonds since 1923 and municipal bonds since 1940. Long-term debt ratings assigned by S&P reflect its analysis of the overall level of credit risk involved in financings. At present, S&P assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest rating). The ratings express only the view of S&P at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant.

The Bonds have received an insured rating of "A2" from Moody's solely in reliance upon the issuance of the municipal bond insurance policy by AGM at the time of delivery of the Bonds. Moody's has also assigned an underlying credit rating of "Baa3" to the Bonds. An explanation of the ratings may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Furthermore, a security rating is not a recommendation to buy, sell, or hold securities. There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by Moody's, if, in its judgment, circumstances so warrant. Any such revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

The District is not aware of any rating assigned to the Bonds other than the insured rating of S&P, the insured rating of Moody's, or the underlying rating of Moody's.

OFFICIAL STATEMENT SUMMARY

The following is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The summary should not be detached and should be used in conjunction with more complete information contained herein. A full review should be made of this entire Official Statement and of the documents summarized or described herein.

THE BONDS

The District... Rockwall County Municipal Utility District No. 6 (the "District"), a political subdivision of the State of Texas, is located in Rockwall County, Texas. See "THE DISTRICT."

The Bonds .... The District's $6,150,000 Unlimited Tax Road Bonds, Series 2020 (the "Bonds"), are dated October 1, 2020, and mature on October 1 in the years and in the principal amounts as shown on the inside cover page hereof. Interest on the Bonds accrues from October 1, 2020, at the rates set forth on the inside cover page hereof and is payable April 1, 2021, and each October 1 and April 1 thereafter until the earlier of stated maturity or redemption. See "THE BONDS."

Redemption... Bonds maturing on and after October 1, 2027, are subject to redemption, in whole or from time to time in part, at the option of the District on October 1, 2026, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Redemption of the Bonds – *Optional Redemption*." The Bonds that mature on October 1 in each of the years 2030, 2036, and 2050 are term bonds that are also subject to the mandatory redemption provisions set out herein under "THE BONDS – Redemption of the Bonds – *Mandatory Redemption*."

Book-Entry-Only System.................................... The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the book-entry-only system described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (hereinafter defined) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (hereinafter defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."

Source of Payment .... Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Rockwall County, Texas; the City of Fate, Texas; or any political subdivision or entity other than the District. See "THE BONDS – Source of Payment."

Payment Record.. The District has never defaulted on the timely payment of debt service on its bonded indebtedness.

Outstanding Bonds	The District has previously issued seven series of bonds, $17,685,000 principal amount of which will remain outstanding as of closing and delivery of the Bonds (the "Outstanding Bonds").
Voted Authorization	At an election on May 13, 2006, voters of the District authorized the District's issuance of a total of $25,270,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a road system serving the District (the "Road System") as well as a total of $32,851,000 principal amount of unlimited tax bonds for the purpose of refunding of bonds issued by the District for the Road System. At an election held within the District on May 13, 2006, voters of the District authorized the District's issuance of a total of $27,180,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a waterworks, sanitary sewer and storm drainage system serving the District (the "Utility System") as well as a total of $35,334,000 principal amount of unlimited tax bonds for the purpose of refunding of bonds issued by the District for the Utility System. The Bonds are the fifth series of bonds to be issued by the District out of its voted authorization for the Road System. After issuance of the Bonds, $10,525,000 principal amount of unlimited tax bonds for the Road System, and $17,715,000 principal amount of unlimited tax bonds for the Utility System will remain authorized but unissued.
Use of Proceeds of the Bonds	Proceeds from sale of the Bonds will be used to reimburse the Developers (herein defined) for the construction costs set out herein under "THE BONDS – Use and Distribution of Proceeds of the Bonds." Proceeds of the Bonds will also be used to pay twelve (12) months of capitalized interest on the Bonds and costs of issuance associated with the Bonds. See "THE BONDS – Use and Distribution of Proceeds of the Bonds" for further information.
Not Qualified Tax-Exempt Obligations	The District has **not** designated the Bonds as "qualified tax-exempt obligations" for financial institutions.
Municipal Bond Insurance	Assured Guaranty Municipal Corp. ("AGM"). See "MUNICIPAL BOND INSURANCE."
Ratings	S&P (AGM Insured): "AA." Moody's (AGM Insured): "A2." Moody's (Underlying): "Baa3." See "MUNICIPAL BOND RATINGS" above.
Bond Counsel and General Counsel	Winstead PC, Dallas, Texas. See "LEGAL MATTERS."
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Dallas, Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.
Engineer	LJA Engineering, Inc., Dallas, Texas.
Auditor	McCall Gibson Swedlund Barfoot PLLC, Houston, Texas.

INFECTIOUS DISEASE OUTLOOK (COVID-19)

Infectious Disease Outlook (COVID-19)	The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. As described herein under "RISK FACTORS - Infectious Disease Outlook (COVID-19)", federal, state and local governments have all taken actions to respond to the Pandemic, including disaster declarations

by both the President of the United States and the Governor of Texas. Such actions are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas.

Since the disaster declarations were made, 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.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the Dallas-Fort Worth area and could reduce or negatively affect property values or homebuilding activity within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

While the potential impact of COVID-19 on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial and operating data contained herein are the latest available, but are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition.

THE DISTRICT

Description .... The District was created pursuant to Article III, Section 52, and Article XVI, Section 59 of the Texas Constitution, by Acts of the 79th Texas Legislature, effective June 17, 2005, pursuant to Senate Bill 1855 codified as Chapter 8136 of Texas Special District Local Laws Code (the "District Act") and by a confirmation election held within the District on May 13, 2006. The District operates under general laws of the State of Texas pursuant to Article III, Section 52, and Article XVI, Section 59 of the Texas Constitution, including Chapters 49 and 54 of the Texas Water Code, applicable to municipal utility districts and the District Act. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended and additional roadway powers conferred by the District Act. The District was created for the purposes of (i) providing, operating, and maintaining facilities to control storm water, distributing potable water, and collecting and treating wastewater and (ii) constructing, maintaining, or operating road projects. The District contains approximately 357 total acres and is located entirely within Rockwall County, Texas, Royse City Independent School District, and the corporate boundaries of the City of Fate, Texas. See "THE DISTRICT."

Authority .... The Bonds are issued pursuant to (i) an order adopted by the Board of Directors of the District on the date of the sale of the Bonds (the "Bond Order"); (ii) the Constitution and general laws of the State of

	Texas; (iii) the District Act; and (iv) an election held within the District on May 13, 2006. See "THE BONDS – Authority for Issuance" and "THE DISTRICT – General."
Location	The District is located in Rockwall County, Texas, approximately 28 miles northeast of the City of Dallas, Texas. The District is situated entirely within the city limits of the City of Fate, Texas, and is bounded to the west by State Highway 66.
Developers/Landowners	D.R. Horton-Texas, Ltd., a Texas limited partnership ("D.R. Horton") and Southstar Woodcreek Developer LLC ("Southstar") (D.R. Horton and Southstar, the "Developers," collectively) are the developers of land within the District. In addition, pursuant to contract, PMB Capital Investments acts as project manager for the development of the District for Southstar and acts as a liaison between the District and the Developers. See "THE DEVELOPERS" and "DEVELOPMENT WITHIN THE DISTRICT – Current Status of Development."
Development in the District	The District is part of the development of Woodcreek, a master-planned community located in the City of Fate, Texas. To date, within the District, a total of approximately 1,015 single-family lots on approximately 280.13 acres have been developed as the residential subdivisions of Woodcreek, Phases 7A, 7B, 7C, 6A, 6B, 6C, 6D, 6E, 6F, 6G and 6K. As of August 31, 2020, development within the District includes approximately 910 completed single-family homes (approximately 871 occupied and approximately 39 unoccupied), approximately 90 single-family homes under construction, and approximately 15 vacant developed single-family lots. The remaining land within the District includes approximately 51.47 undeveloped but developable acres (approximately 32.61 of which are owned by Southstar Woodcreek Developer, LLC, approximately 16.20 of which are owned by D.R. Horton-Texas, Ltd., and approximately 2.66 of which are owned by the City of Fate) and approximately 24.99 acres developed as a middle school. See "DEVELOPMENT WITHIN THE DISTRICT – Current Status of Development."
Homebuilders in the District	Currently, DR Horton is the only homebuilder active in the District. New homes being constructed in the District have an average sale price of over $225,000. See "DEVELOPMENT WITHIN THE DISTRICT – Homebuilders Within the District."

INVESTMENT CONSIDERATIONS

THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AS SET FORTH IN THIS OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CAREFULLY EXAMINE THIS ENTIRE OFFICIAL STATEMENT, ESPECIALLY THE PORTION OF THIS OFFICIAL STATEMENT ENTITLED "INVESTMENT CONSIDERATIONS," BEFORE MAKING AN INVESTMENT DECISION.

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2020 Taxable Assessed Valuation	$ 178,156,863	(a)
Estimate of Assessed Valuation as of July 1, 2020	$ 201,259,715	(b)
Direct Debt:		
The Outstanding Bonds (as of Closing and Delivery of the Bonds)	$ 17,685,000	
The Bonds	$ 6,150,000	
Total	$ 23,835,000	
Estimated Overlapping Debt	$ 13,049,797	(c)
Total Direct and Estimated Overlapping Debt	$ 36,884,797	(c)
Direct Debt Ratios:		
As a percentage of 2020 Taxable Assessed Valuation	13.38 %	
As a percentage of Estimate of Assessed Valuation as of July 1, 2020	11.84 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2020 Taxable Assessed Valuation	20.70 %	
As a percentage of Estimate of Assessed Valuation as of July 1, 2020	18.33 %	
Utility System Debt Service Fund Balance (as of August 25, 2020)	$537,943	(d)
Road System Debt Service Fund Balance (as of August 25, 2020)	$499,919	(e)
General Operating Fund Balance (as of August 25, 2020)	$302,864	
2020 Tax Rate		
Utility System Debt Service	$0.32	(f)
Road System Debt Service	$0.33	(f)
Maintenance & Operation	$0.10	
Total	$0.75	
Average Annual Debt Service Requirement (2021–2050)	$1,200,005	(g)
Maximum Annual Debt Service Requirement (2043)	$1,341,625	(g)
Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2021–2050) at 95% Collections		
Based on 2020 Taxable Assessed Valuation	$0.71	
Based on Estimate of Assessed Valuation as of July 1, 2020	$0.63	
Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2043) at 95% Collections		
Based on 2020 Taxable Assessed Valuation	$0.80	
Based on Estimate of Assessed Valuation as of July 1, 2020	$0.71	

(a) Certified taxable assessed value of all taxable property within the District as of January 1, 2020, as provided by the Rockwall Central Appraisal District. See "TAX PROCEDURES" and "TAX DATA – Analysis of Tax Base."

(b) Provided by the Rockwall Central Appraisal District for information purposes only. This amount is an estimate of the taxable value of all taxable property in the District as of July 1, 2020, and includes an estimate of value resulting from the construction of new taxable improvements in the District through July 1, 2020. No taxes will be levied on this estimate. See "TAX PROCEDURES" and "TAX DATA."

(c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."

(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are not available to pay debt service on the Bonds or the Outstanding Bonds issued for the Road System.

(e) In addition to this amount, twelve (12) months of capitalized interest on the Bonds will be deposited into the Road System Debt Service Fund upon closing and delivery of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on the Outstanding Bonds issued for the Utility System.

(f) The District is authorized to levy separate taxes for payment of debt service on bonds issued by the District for the Utility System and for payment of debt service on bonds issued by the District for the Road System; both such taxes are unlimited as to rate or amount. See "THE BONDS – Authority for Issuance."

(g) Requirement of debt service on the Outstanding Bonds and the Bonds. See "DISTRICT DEBT – Debt Service Requirement Schedule."

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Rockwall County Municipal Utility District No. 6 (the "District") of its $6,150,000 Unlimited Tax Road Bonds, Series 2020 (the "Bonds").

The Bonds are issued pursuant to (i) an order adopted by the Board of Directors of the District on the date of the sale of the Bonds (the "Bond Order"); (ii) the Constitution and general laws of the State of Texas; (iii) Senate Bill 1855 codified as Chapter 8136 of Texas Special District Local Laws Code (the "District Act"); and (iv) an election held within the District on May 13, 2006.

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order.

Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Upon payment of reasonable copying, mailing, and handling charges, copies of such documents may be obtained from the District at Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201 or during the offering period from the District's financial advisor, Robert W. Baird & Co. Incorporated, Attn: Jan Bartholomew, 1331 Lamar Street, Suite 1360, Houston, Texas 77010.

THE BONDS

General

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order of the Board of Directors of the District (the "Board") authorizing the issuance of the Bonds. A copy of the Bond Order may be obtained from the District upon request and payment of the costs for duplication thereof. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds are dated October 1, 2020, and will mature on October 1 in the years and in the principal amounts indicated on the inside cover page hereof. The Bonds will accrue interest from October 1, 2020, at the stated interest rates indicated on the inside cover page hereof. Interest on the Bonds is payable on April 1, 2021 (six months interest), and on each October 1 and April 1 thereafter (each an "Interest Payment Date") until maturity or prior redemption. The Bonds will be issued as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. Principal of the Bonds will be payable to the Bondholder thereof at maturity or earlier redemption upon presentation of Bonds at the principal payment office of Regions Bank, an Alabama state banking corporation, Houston, Texas (the "Paying Agent/Registrar"). Interest on the Bonds will be payable by check, dated as of the interest payment date, and mailed by the Paying Agent/Registrar to Bondholders as shown on the records of the Paying Agent/Registrar at the close of business on the 15th day of the calendar month next preceding each Interest Payment Date (the "Record Date"), or by other such customary banking arrangements as may be acceptable to the Paying Agent/Registrar and the Bondholder at the expense and risk of the Bondholder.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by 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 District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

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

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 required by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each of the Bonds, each in the aggregate principal amount of such issue, 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 the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a 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 purchase of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the book-entry form, 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 system, and (ii) except as described above, notices that are to be given to registered owners under the Bond Order will be given only to DTC.

The information concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Successor Paying Agent/Registrar

Provision is made in the Bond Order for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a legally qualified national or state banking institution, a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state authority to act as and perform the services of Paying Agent/Registrar for the Bonds under the Bond Order.

Registration, Transfer and Exchange

In the event the Book-Entry-Only system is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the principal payment office of the Paying Agent/Registrar in Houston, Texas. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Bondholder. The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Bondholder or assignee of the Bondholder within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of $5,000 in principal amount for a Bond, or any integral multiple thereof for any one maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within forty-five (45) calendar days. No service charge will be made for any transfer or exchange, but the District or Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Replacement of Bonds

In the event the Book-Entry-Only system is discontinued, the District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds, receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and the Paying Agent/Registrar of security or indemnity to hold them harmless. The District or the Paying Agent/Registrar may require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Authority for Issuance

At an election held within the District on May 13, 2006, voters of the District authorized the District's issuance of a total of $27,180,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a waterworks, sanitary sewer and storm drainage system serving the District (the "Utility System") as well as a total of $35,334,000 principal amount of unlimited tax bonds for the purpose of refunding of bonds issued by the District for the Utility System. At an election on May 13, 2006, voters of the District authorized the District's issuance of a total of $25,270,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a road system serving the District (the "Road System") as well as a total of $32,851,000 principal amount of unlimited tax bonds for the purpose of refunding of bonds issued by the District for the Road System.

The Bonds are the fifth series of bonds to be issued by the District for the Road System. After issuance of the Bonds, $17,715,000 principal amount of unlimited tax bonds for the Utility System, $35,334,000 principal amount of unlimited tax bonds for refunding bonds issued for the Utility System, $10,525,000 principal amount of unlimited tax bonds for the Road System, and $32,851,000 principal amount of unlimited tax bonds for refunding bonds issued for the Road System will remain authorized but unissued.

The Bonds are issued pursuant to (i) the Bond Order; (ii) the Constitution and general laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code; (iii) the District Act; and (iv) an election held within the District on May 13, 2006.

Outstanding Bonds

The District has previously issued seven series of bonds, $17,685,000 principal amount of which will remain outstanding as of closing and delivery of the Bonds (the "Outstanding Bonds").

Payment Record

The District has never defaulted on the timely payment of debt service due on its prior bonded indebtedness.

Source of Payment

The Bonds, when issued, will constitute valid and binding obligations of the District, and the principal thereof and the interest thereon, and such additional tax bonds of the District as may hereafter be authorized by District voters, if any, and subsequently issued, are payable from and secured by the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "TAX PROCEDURES" and "TAX DATA – Tax Rate Calculations" for tax adequacy, manner of assessing and collecting taxes, and the remedy to the District in the event of tax delinquencies; and "Bondholders' Remedies" below for the remedies available to Bondholders in the event of default in the performance of any of the covenants set forth in the Bond Order or in the event of default in the payment of principal of or interest on the Bonds.

The Bonds are obligations solely of the District and are not obligations of the State of Texas; Rockwall County, Texas; the City of Fate, Texas; or any political subdivision other than the District.

Redemption of the Bonds

Optional Redemption

The District reserves the right, at its option, to redeem the Bonds maturing on and after October 1, 2027, prior to their scheduled maturities, in whole or in part, on October 1, 2026, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Bondholder of each Bond to be redeemed in whole or in part at the address shown on the bond register. If fewer than all of the Bonds are optionally redeemed at any time, the particular maturities and amounts of Bonds to be optionally redeemed shall be selected by the District in integral multiples of $5,000 within any one maturity and if fewer than all of the Bonds within a maturity are to be redeemed, the Paying Agent/Registrar (or DTC in accordance with its procedures while the Bonds are in book-entry-only form) shall designate by method of random selection the Bonds within such maturity to be redeemed.

If the Book-Entry-Only System is discontinued, the Bondholder of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mandatory Redemption

The Bonds that mature on October 1 in each of the years 2030, 2036 and 2050 are terms bonds (the "Term Bonds") and shall be redeemed at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), on October 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount of Bonds of such maturity as may have been previously redeemed through the exercise of the District's reserved right of optional redemption, as provided under "Optional Redemption" above):

$210,000 Term Bonds Maturing on October 1, 2030

Mandatory Redemption Date	Principal Amount
October 1, 2027	$50,000
October 1, 2028	$50,000
October 1, 2029	$55,000
October 1, 2030 (Maturity)	$55,000

$360,000 Term Bonds Maturing on October 1, 2036

Mandatory Redemption Date	Principal Amount
October 1, 2031	$55,000
October 1, 2032	$60,000
October 1, 2033	$60,000
October 1, 2034	$60,000
October 1, 2035	$60,000
October 1, 2036 (Maturity)	$65,000

$5,335,000 Term Bonds Maturing on October 1, 2050

Mandatory Redemption Date	Principal Amount
October 1, 2037	$60,000
October 1, 2038	$65,000
October 1, 2039	$65,000
October 1, 2040	$65,000
October 1, 2041	$65,000
October 1, 2042	$70,000
October 1, 2043	$325,000
October 1, 2044	$470,000
October 1, 2045	$645,000
October 1, 2046	$665,000
October 1, 2047	$680,000
October 1, 2048	$700,000
October 1, 2049	$720,000
October 1, 2050 (Maturity)	$740,000

Effects of Redemption

Notice of mandatory redemption of Term Bonds will be provided at least thirty (30) calendar days prior to the date fixed for redemption, with the particular portions of the Term Bonds to be redeemed to be selected by lot or other customary method in accordance with the procedures of DTC so long as the Bonds are registered in accordance with the Book-Entry-Only System.

Defeasance

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

There is no assurance that the current law will not be changed in a manner which would permit other investments to be made with amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, Bondholders 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 currently permitted under Texas law. There is also no assurance that any investment held for such discharge will maintain its rating.

District Annexation, Dissolution, and Consolidation

In certain circumstances, under Texas law, the District may alter its boundaries to: (1) upon satisfying certain conditions, annex additional territory; and (2) exclude land subject to taxation within the District that is not served by District facilities if the District simultaneously annexes land of equal acreage and value that may be practicably served by District facilities. No representation is made concerning the likelihood that the District would affect any changes in its boundaries.

The District lies within the corporate limits of the City of Fate, Texas ("Fate"). Generally, under Texas law, Fate may abolish the District, pursuant to certain statutory provisions that allow for negotiations between Fate and the District as to the timing, terms, and conditions of the dissolution. Such statutory provisions state that if and when the District is dissolved, Fate would succeed to the rights, powers, duties and obligations of the District, including the obligation to repay outstanding bonds of the District. However, Fate has agreed not to exercise its right to dissolve the District until all bonds of the District (including the Bonds) have been paid, pursuant to the terms of the Special District Agreement No. 2 (see "THE DISTRICT – Special District Agreements"), but no representation is made concerning the dissolution of the District by Fate.

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

Legal Ability to Issue Additional Debt

After issuance of the Bonds, $17,715,000 principal amount of unlimited tax bonds for the Utility System, $35,334,000 principal amount of unlimited tax bonds for refunding bonds issued for the Utility System, $10,525,000 principal amount of unlimited tax bonds for the Road System, and $32,851,000 principal amount of unlimited tax bonds for refunding bonds issued for the Road System will remain authorized but unissued. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District. It is the opinion of the District's engineer that the remaining authorized but unissued bonds will be sufficient to complete construction for planned development within the District. See "INVESTMENT CONSIDERATIONS – Future Debt."

Before issuing any authorized but unissued bonds for the Utility System, the District would have to obtain approval of the Texas Commission on Environmental Quality ("TCEQ") for the issuance of such bonds and the projects to be financed thereby. In addition to the above-mentioned bonds, the District has the right to issue such additional tax bonds or combination tax and revenue bonds as may be hereafter approved by the voters of the District. The District also has the right to issue revenue notes, bond anticipation notes, and tax anticipation notes without the necessity of voter approval. In addition, the District has the right to enter into contracts and to pledge its taxing power to secure any payments the District is required to make under such contracts, provided the provisions of the contract are approved by the voters of the District. The District further has the right to issue refunding bonds from its voted authorization without additional voter approval. Under certain conditions, including required elections, the District may provide facilities for parks, roads and fire protection. Fate provides the District with facilities for parks and fire protection, therefore, it is not anticipated that the District will issue bonds for these purposes.

In addition, pursuant to the Special District Agreement (hereinafter defined, see "THE DISTRICT – Special District Agreements"), terms of the sale or issuance of bonds must be submitted to and approved in writing by the City Manager of Fate. Failure to disapprove within 15 days constitutes an approval, and approval cannot be unreasonably withheld. The City Manager may refuse to approve bonds if the projected tax rate, after the bonds are issued, exceeds a reasonable amount; the District's projected tax rate may not be considered unreasonable if it is less than or equal to $0.75 per $100 assessed valuation. If the projected tax rate will exceed $0.75 per $100 assessed valuation, the bonds must be submitted for approval to the City Council of Fate.

Bondholders' Remedies

The Bond Order contains a covenant that, while any of the Bonds are outstanding, there shall be assessed, levied, and collected an annual ad valorem tax, without legal limit as to rate or amount, on all taxable property within the District, sufficient to pay principal of and interest on the Bonds, the Outstanding Bonds, and any additional tax-supported bonds when due and to pay the expenses necessary in collecting taxes. Texas law and the Bond Order provide that in the event that the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Order into the Road System Debt Service Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Order, any Bondholder shall be entitled at any time to a writ of mandamus from a court of competent jurisdiction compelling and requiring the Board to observe and perform any covenant, obligation, or condition prescribed by the Bond Order. Such right is in addition to all other rights the Bondholders may be provided by the laws of the State of Texas.

Except for mandamus, the Bond Order does not specifically provide for remedies to a Bondholder in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Bondholders. There is no acceleration of maturity of the Bonds in the event of default. Consequently, the remedy of mandamus is a remedy which may have to be relied upon from year to year by the Bondholders.

Even if the Bondholders could obtain a judgment against the District, such judgment could not be enforced by direct levy and execution against the District's property. Further, the Bondholders cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Certain traditional legal remedies also may be unavailable. The enforceability of the rights and remedies of the Bondholders may be further limited by federal bankruptcy laws, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. See "Bankruptcy Limitation to Bondholders' Rights" below.

Bankruptcy Limitation to Bondholders' Rights

Other than a writ of mandamus and other relief authorized by law, the Bond Order does not expressly provide a specific remedy for a default. Even if a Bondholder could obtain a judgment against the District for a default in the payment of principal or interest, such judgment could not be satisfied by execution against any property of the District. If the District defaults, a Bondholder could petition for a writ of mandamus issued by a court of competent jurisdiction requiring the District and the District's officials to observe and perform the covenants, obligations or conditions prescribed in the Bond Order. Such remedy might need to be enforced on a periodic basis. The enforcement of a claim for payment on the Bonds would be subject to the applicable provisions of the federal bankruptcy laws, any other similar laws affecting the rights of creditors of political subdivisions, and general principles of equity. See "INVESTMENT CONSIDERATIONS – Bondholders' Remedies," and "– Bankruptcy Limitation to Bondholders' Rights."

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to the Public Securities Procedures Act, Chapter 1201, Texas Government Code, as amended, and Section 49.186, Texas Water Code, the Bonds, whether rated or unrated, are (a) legal investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, and trustees and (b) legal investments for the public funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State of Texas. Most political subdivisions in the State of Texas are required to adopt investment guidelines under the Public Funds Investment Act, Chapter 2256, Texas Government Code, and such political subdivisions may impose a requirement consistent with such law that the Bonds have a rating of not less than "A" or its equivalent to be legal investments for such entity's funds. The Bonds are eligible under the Public Funds Collateral Act, Chapter 2257, Texas Government Code, to secure deposits of public funds of the State of Texas or any political subdivision or public agency of the State of Texas and are lawful and sufficient security for those deposits to the extent of their market value.

The District has not reviewed the laws in other states to determine whether the Bonds are legal investments for various institutions in those states or eligible to serve as collateral for public funds in those states. The District has made no investigation of any other laws, rules, regulations, or investment criteria that might affect the suitability of the Bonds for any of the above purposes or limit the authority of any of the above persons or entities to purchase or invest in the Bonds.

Use and Distribution of Proceeds of the Bonds

Proceeds from the sale of the Bonds will be used to reimburse the Developers (hereinafter defined) for the construction costs set out below. In addition, proceeds from the Bonds will pay costs of issuance of the Bonds, twelve months (12) of capitalized interest, developer interest, and costs of issuance of the Bonds.

The construction costs described below were compiled by the District's Engineer (hereinafter defined), based, in some cases, on the estimated costs of facilities. Non-construction costs are based upon either contract amounts or estimates made by the Engineer or the Financial Advisor (hereinafter defined).

Construction Costs	Amount
A. Woodcreek Phase 6B Road Improvements	$ 1,109,608
B. Woodcreek Phases 6E & 6F Road Improvements	1,127,991
C. Woodcreek Phase 6G Road Improvements	2,598,794
D. Engineering Related to Woodcreek Phases 6E & 6F	271,614
Total Construction Costs	$ 5,108,007
Non-Construction Costs	
A. Bond Counsel Fees	$ 153,750
B. Fiscal Agent Fees	123,000
C. Interest	
1. Capitalized Interest (12 months)	155,800
2. Developer Interest (a)	362,786
D. Bond Discount	184,154
E. Bond Issuance Expenses	38,853
F. Bond Engineering Fee	17,500
G. Attorney General Fee (0.10%)	6,150
Total Non-Construction Costs	$ 1,041,993
TOTAL BOND ISSUE REQUIREMENT	**$ 6,150,000**

(a) Projected, pending reimbursement audit approval.

DISTRICT DEBT

General

The following tables and calculations relate to the Outstanding Bonds and the Bonds. The District is empowered to incur debt to be paid from revenues raised by taxation against all taxable property located within the District, and various other political subdivisions of government which overlap all or a portion of the District are empowered to incur debt to be paid from revenues raised or to be raised by taxation against all or a portion of the property within the District.

Bond Indebtedness

2020 Taxable Assessed Valuation	$ 178,156,863	(a)
Estimate of Assessed Valuation as of July 1, 2020	$ 201,259,715	(b)
Direct Debt:		
The Outstanding Bonds	$ 17,685,000	
The Bonds	$ 6,150,000	
Total	$ 23,835,000	
Estimated Overlapping Debt	$ 13,049,797	(c)
Total Direct and Estimated Overlapping Debt	$ 36,884,797	(c)
Direct Debt Ratios:		
As a percentage of 2020 Taxable Assessed Valuation	13.38 %	
As a percentage of Estimate of Assessed Valuation as of July 1, 2020	11.84 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2020 Taxable Assessed Valuation	20.70 %	
As a percentage of Estimate of Assessed Valuation as of July 1, 2020	18.33 %	
Utility System Debt Service Fund Balance (as of August 25, 2020)	$537,943	(d)
Road System Debt Service Fund Balance (as of August 25, 2020)	$499,919	(e)
General Operating Fund Balance (as of August 25, 2020)	$302,864	

(a) Certified taxable assessed value of all taxable property within the District as of January 1, 2020, as provided by the Rockwall Central Appraisal District. See "TAX PROCEDURES" and "TAX DATA – Analysis of Tax Base."

(b) Provided by the Rockwall Central Appraisal District for information purposes only. This amount is an estimate of the taxable value of all taxable property in the District as of July 1, 2020, and includes an estimate of value resulting from the construction of new taxable improvements in the District through July 1, 2020. No taxes will be levied on this estimate. See "TAX PROCEDURES" and "TAX DATA."

(c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."

(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are not available to pay debt service on the Bonds or the Outstanding Bonds issued for the Road System.

(e) In addition to this amount, twelve (12) months of capitalized interest on the Bonds will be deposited into the Road System Debt Service Fund upon closing and delivery of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on the Outstanding Bonds issued for the Utility System.

Direct and Estimated Overlapping Debt Statement

The following statement indicates the direct and estimated overlapping debt of the District. The table includes the estimated amount of indebtedness of governmental entities overlapping the District, defined as outstanding bonds payable from ad valorem taxes, and the estimated percentages and amounts of such indebtedness attributable to property located within the District. This information is based upon data secured from the individual jurisdictions and/or *Texas Municipal Reports* published by the Municipal Advisory Council of Texas. The calculations by which the statement was derived were made in part by comparing the reported assessed valuation of the property in the overlapping taxing jurisdictions with the 2020 Taxable Assessed Valuation of property within the District. No effect has been given to the tax burden levied by any applicable taxing jurisdiction for maintenance and operational or other purposes.

Taxing Jurisdiction	Outstanding Debt July 31, 2020	Overlapping Percent	Overlapping Amount
Rockwall County	$ 144,815,000	1.32%	$ 1,914,424
Royse City Independent School District	145,774,578	6.94	10,122,862
City of Fate	8,850,000	11.44	1,012,511
Total Estimated Overlapping Debt			$13,049,797
Direct Debt (a)			$23,835,000
Total Direct and Estimated Overlapping Debt (a)			$36,884,797

Debt Ratios

Direct Debt Ratios (a):

As a percentage of 2020 Taxable Assessed Valuation (b)	13.38 %
As a percentage of Estimate of Assessed Valuation as of July 1, 2020	11.84 %

Direct and Estimated Overlapping Debt Ratios (a):

As a percentage of 2020 Taxable Assessed Valuation (b)	20.70 %
As a percentage of Estimate of Assessed Valuation as of July 1, 2020	18.33 %

Under Texas law ad valorem taxes levied by each taxing authority other than the District create a lien which is on a parity with the lien in favor of the District on all taxable property within the District. In addition to the ad valorem taxes required to retire the foregoing direct and overlapping debt, the various taxing authorities mentioned above are also authorized by Texas law to assess, levy, and collect ad valorem taxes for operation, maintenance, administration, and/or general revenue purposes. Certain of the jurisdictions have in the past levied such taxes. The District has the power to assess, levy, and collect ad valorem taxes for operation and maintenance purposes, and such taxes have been authorized by the duly qualified voters of the District. The District has levied a maintenance tax since 2012, the initial year taxes were levied within the District. See "TAX DATA – Tax Rate Distribution."

(a) Includes the Bonds.
(b) See "TAX DATA – Analysis of Tax Base."

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Debt Service Requirement Schedule

The following schedule sets forth the debt service requirements of the Outstanding Bonds as well as the principal and interest requirements of the Bonds.

Calendar Year	Outstanding Bonds Debt Service	Plus: The Bonds Principal	Plus: The Bonds Interest	Plus: The Bonds Debt Service	Total Debt Service
2021	$1,122,028	–	$155,800	$155,800	$1,277,828
2022	1,117,003	$50,000	155,800	205,800	1,322,803
2023	1,115,928	50,000	153,550	203,550	1,319,478
2024	1,113,728	45,000	151,300	196,300	1,310,028
2025	1,115,294	50,000	149,275	199,275	1,314,569
2026	1,111,644	50,000	147,025	197,025	1,308,669
2027	1,117,744	50,000	144,775	194,775	1,312,519
2028	1,113,244	50,000	143,775	193,775	1,307,019
2029	1,117,825	55,000	142,775	197,775	1,315,600
2030	1,116,469	55,000	141,675	196,675	1,313,144
2031	1,123,769	55,000	140,575	195,575	1,319,344
2032	1,125,038	60,000	139,475	199,475	1,324,513
2033	1,125,363	60,000	138,275	198,275	1,323,638
2034	1,128,950	60,000	137,075	197,075	1,326,025
2035	1,131,463	60,000	135,875	195,875	1,327,338
2036	1,127,788	65,000	134,675	199,675	1,327,463
2037	1,132,969	60,000	133,375	193,375	1,326,344
2038	1,136,425	65,000	131,875	196,875	1,333,300
2039	1,138,613	65,000	130,250	195,250	1,333,863
2040	1,134,544	65,000	128,625	193,625	1,328,169
2041	1,138,938	65,000	127,000	192,000	1,330,938
2042	1,141,706	70,000	125,375	195,375	1,337,081
2043	893,000	325,000	123,625	448,625	1,341,625
2044	337,956	470,000	115,500	585,500	923,456
2045	174,038	645,000	103,750	748,750	922,788
2046	–	665,000	87,625	752,625	752,625
2047	–	680,000	71,000	751,000	751,000
2048	–	700,000	54,000	754,000	754,000
2049	–	720,000	36,500	756,500	756,500
2050	–	740,000	18,500	758,500	758,500
Total	$26,151,460	$6,150,000	$3,698,700	$9,848,700	$36,000,160

Average Annual Debt Service Requirement (2021–2050) $1,200,005

Maximum Annual Debt Service Requirement (2043) $1,341,625

TAX PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, the Outstanding Bonds, and any additional bonds payable from taxes that the District may hereafter issue and to pay the expenses of assessing and collecting such taxes. See "INVESTMENT CONSIDERATIONS – Future Debt." The District agrees in the Bond Order to levy such a tax from year-to-year as described more fully herein under "THE BONDS – Source of Payment." Under Texas law, the Board is also authorized to levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water, wastewater and drainage system and for the payment of certain contractual obligations if authorized by its voters. See "TAX DATA – Tax Rate Limitation."

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (the "Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Tax Code are complex and are not fully summarized herein.

The 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 the responsibility for reviewing and equalizing the values established by the appraisal district. The Rockwall Central Appraisal District (the "Appraisal District" or "RCAD") has the responsibility for appraising property for all taxing units within Rockwall County, including the District. Such appraisal values are subject to review and change by the Rockwall County Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll as approved by the Appraisal Review Board must be used by the District in establishing its tax roll and tax rate.

Exempt Property

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may, by its own action, an action which to date the District has not undertaken, exempt certain property owned by qualified organizations engaged primarily in charitable activities, residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans, or certain surviving dependents of disabled veterans if requested, but only to the maximum extent of $5,000 to $12,000 of assessed valuation depending upon the disability rating of the veteran. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residence 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 is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death. Such exemption would be transferable to a subsequent resident homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

The Board may exempt up to 20% of the market value of residential homesteads from ad valorem taxation. Such exemption would be in addition to any other applicable exemptions provided by law. However, if ad valorem taxes have previously been pledged for the payment of debt and the reduction or cessation of the levy would impair the obligation of the contract by which the debt was created, then the Board may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged. To date, the Board has not granted a residential homestead exemption.

Rockwall County may designate all or part of the area within the District as a reinvestment zone, and Rockwall County, or the District may thereafter enter into tax abatement agreements with owners of real property within the zone, with each taxing jurisdiction's agreement affecting its own tax roll. The tax abatement agreements exempt from ad valorem taxation by the applicable taxing jurisdiction (including the District with the District's consent) for a period of up to 10 years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. In certain instances, taxes on personal property also may be eligible for tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by other taxing jurisdictions.

Freeport Goods and Goods-in-Transit Exemptions: A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining oil or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to certain tangible personal property as defined by the Tax Code. The exemption excludes oil, natural gas, petroleum products, aircraft, and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicles, dealer's heavy equipment, and retail manufactured housing inventory. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is further limited to tangible personal property acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. For tax year 2012 and subsequent years, a taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has taken official action to allow taxation of all such goods-in-transit personal property, but may choose to exempt same in the future by further official action.

County-Wide Appraisal District

Generally, property in the District must be appraised by the RCAD 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 the District in establishing its tax roll and tax rate. Assessments under the Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Tax Code.

The Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The 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 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 landowner of qualified open-space land is a member of the United States Armed Forces, subject to certain conditions, the appraisal of the land as qualified open-space land does not change while the landowner is deployed or stationed outside of Texas. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use and taxes for the previous five years for open space land and timberland.

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

Assessment and Levy

The District is responsible for the levy and collection of its taxes unless it elects to transfer the collection functions to another governmental entity or private tax assessor/collector approved by the Board. Each year the rate of taxation is set by the Board based upon the valuation of property within the District as of the preceding January 1. Taxes are due when billed, 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. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. In addition, if the District engages an attorney for the collection of delinquent taxes, the Board may impose a further penalty not to exceed twenty percent (20%) on all taxes, penalty, and interest unpaid on July 1. The 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.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition of 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 RCAD to compel compliance with the Tax Code.

The Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda, which could result in the repeal of certain tax increases. The Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights, or by bankruptcy proceedings that restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS – Tax Collection Limitations" and "– Bondholders' Remedies."

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by a district's board of directors on an annual basis, beginning with the 2020 tax rate. For the 2020 tax year, the Board has determined that the District's classification is that of a Developing District. The District cannot give any assurances as to what classification will be determined for tax years subsequent to 2020 or whether the District's future tax rates or financings of improvements and facilities will result in a new classification and new election calculation.

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds, the Outstanding Bonds, and any future tax-supported bonds that may be issued from time to time as authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy, for each year that all or any part of the Bonds and the Outstanding Bonds remain outstanding and unpaid, a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds and the Outstanding Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements, and its available funds. In addition, the District has the power and authority to assess, levy, and collect ad valorem taxes, in an unlimited amount, for operation and maintenance purposes. For the 2020 tax year, the District levied a total tax of $0.75 per $100 assessed taxable valuation made up of the following: a tax in the amount of $0.32 for payment of debt service on bonds issued for the Utility System, a tax in the amount of $0.33 for payment of debt service on bonds issued for the Road System, and a tax in the amount of $0.10 for maintenance and operations.

Tax Rate Limitation

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

Historical Values and Tax Collection History

The following statement of tax collections sets forth in condensed form the historical assessed valuation and tax collections of the District. Such summary has been prepared for inclusion herein based upon information obtained from District records. Reference is made to such records, including the District's annual audited financial statements, for more complete information.

Tax Year	Assessed Valuation	Tax Rate (a)	Adjusted Levy	Collections Current Year	Current Year Ended 9/30	Collections 7/31/2020
2015	$18,715,576	$0.750	$140,367	100.00%	2016	100.00%
2016	19,710,473	0.750	147,829	100.00	2017	99.07
2017	30,112,445	0.750	225,843	99.88	2018	100.00
2018	83,152,415	0.750	623,643	99.50	2019	99.80
2019	128,337,328	0.750	962,530	99.12(b)	2020	99.12
2020	178,156,863	0.750	1,336,176	(c)	2021	(c)

(a) See "Tax Rate Distribution" below.
(b) Collections as of July 31, 2020.
(c) For the 2020 tax year, the District adopted its tax rate on August 25, 2020.

Analysis of Tax Base

The following table illustrates the values and composition of property located within the District for the 2016–2020 tax years.

Type of Property	2020 Taxable Assessed Valuation	2019 Taxable Assessed Valuation	2018 Taxable Assessed Valuation	2017 Taxable Assessed Valuation	2016 Taxable Assessed Valuation
Land	$56,193,589	$38,119,331	$24,875,740	$19,112,490	$9,766,343
Improvements	140,503,893	93,373,070	49,058,163	12,487,787	10,680,924
Personal Property	79,480	46,640	24,980	23,860	90
Exemptions	(18,620,099)	(3,201,713)	(2,066,398)	(1,511,692)	(736,884)
Total	$178,156,863	$128,337,328	$83,152,415	$30,112,445	$19,710,473

Tax Rate Distribution

The following table illustrates the breakdown of the District's tax rate in the 2015–2020 tax years:

	2020	2019	2018	2017	2016	2015
Utility System Debt Service	$0.320	$0.300	$0.340	$0.000	$0.000	$0.000
Road System Debt Service	$0.330	$0.330	$0.210	$0.330	$0.000	$0.000
Maintenance & Operations (a)	$0.100	$0.120	$0.200	$0.420	$0.750	$0.750
Total	$0.750	$0.750	$0.750	$0.750	$0.750	$0.750

(a) See "Rollback of Operation and Maintenance Tax Rate."

Principal Taxpayers

Based upon information supplied by the Appraisal District, the following table lists principal District taxpayers, type of property owned by such taxpayers, and the assessed valuation of such property as of January 1, 2020. The information reflects the composition of the Appraisal District's record of property ownership as of January 1, 2020.

Taxpayer	Type of Property	Assessed Valuation 2020 Tax Roll	Percent of 2020 Roll
DR Horton - Texas LTD (a)	Land & Improvements	$10,328,190	5.80%
Chen Smathers LLC	Land & Improvements	459,800	0.26%
Saanvi Investments LLC	Land & Improvements	449,150	0.25%
Homeowner	Land & Improvements	276,950	0.16%
Homeowner	Land & Improvements	275,970	0.15%
Homeowner	Land & Improvements	274,350	0.15%
Homeowner	Land & Improvements	274,110	0.15%
Homeowner	Land & Improvements	273,110	0.15%
Homeowner	Land & Improvements	272,640	0.15%
Homeowner	Land & Improvements	272,340	0.15%
Total		$13,156,610	7.38%

(a) See "THE DEVELOPERS."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed taxable valuation that would be required to meet certain debt service requirements on the Outstanding Bonds and the Bonds if no growth occurs in the District's tax base beyond the District's 2020 Taxable Assessed Valuation and the Estimate of Assessed Valuation as of July 1, 2020. The calculations also assume collection of 95% of taxes levied, no use of District funds on hand, and no sale of additional bonds by the District.

Average Annual Debt Service Requirement (2021–2050) (a)	$1,200,005
Tax Rate of $0.71 on the 2020 Taxable Assessed Valuation produces (b)	$1,201,668
Tax Rate of $0.63 on the Estimate of Assessed Valuation as of July 1, 2020, produces	$1,204,539
Maximum Annual Debt Service Requirement (2043) (a)	$1,341,625
Tax Rate of $0.80 on the 2020 Taxable Assessed Valuation produces (b)	$1,353,992
Tax Rate of $0.71 on the Estimate of Assessed Valuation as of July 1, 2020, produces	$1,357,497

(a) Requirement of debt service on the Outstanding Bonds and the Bonds. See "DISTRICT DEBT – Debt Service Requirement Schedule."
(b) See "TAX DATA – Analysis of Tax Base."

Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all 2019 taxes levied upon property located within the District. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District.

In addition to the ad valorem taxes required to make the debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Taxing Jurisdiction	2019 Tax Rate Per $100 of A.V.
The District	$ 0.750000
City of Fate	0.280656
Rockwall County	0.325000
Royse City Independent School District	1.568350
Total Tax Rate	$ 2.924006

THE DISTRICT

General

The District was created in 2005 by Chapter 8136, Texas Special District Local Laws Code (the "District Act") pursuant to Article III, Section 52 and Article XVI, Section 59, of the Texas Constitution, and by a confirmation election held within the District on May 13, 2006. The District operates under the District Act and Chapters 49 and 54 of the Texas Water Code and other general laws of the State of Texas applicable to municipal utility districts. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including, without limitation, those conferred by Chapters 49 and 54, Texas Water Code, as amended.

The District is empowered to purchase, construct, operate, and maintain all works, improvements, facilities and plants necessary for the construction of roadway facilities, and is also empowered to provide for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water, among other things. The District may also provide solid waste collection and disposal service, and operate and maintain recreational facilities. Currently the District provides water and wastewater service and roadway facilities to users within the District pursuant to an agreement with Fate as described under "Special District Agreements" below. The District may operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters and the TCEQ. The District does not operate and/or maintain a fire department. Fire protection for the District is provided by Fate. The

District is subject to the continuing supervision of the TCEQ and is located exclusively within the corporate limits of Fate.

Special District Agreements

Prior to creation of the District, Rockwall County Consolidated Municipal Utility District No. 1 ("District No. 1"), Rockwall County Consolidated Municipal Utility District No. 2 ("District No. 2"), Fate, and PRA/Fate Development Corporation, the previous developer ("previous developer"), entered into a "Special District Agreement" dated December 1, 2003 ("Special District Agreement No. 1"). Pursuant to the terms of Special District Agreement No. 1, Fate agreed to provide retail water capacity and sewer capacity to users within District No. 1 and District No. 2. Fate also agreed to own, operate, and maintain the water, sewer, and drainage facilities, and to charge user fees equal to those charged to other users located within Fate's boundaries. All parties to Special District Agreement No. 1 agreed to cooperate to create any additional new districts as needed to further development, and agreed that any new districts would become parties to Special District Agreement No. 1 after their creation.

Upon confirmation of creation of the District in 2006, the District became a party to Special District Agreement No. 1 by virtue of entering into Special District Agreement No. 2 (hereinafter defined). The District entered into Special District Agreement No. 2 dated May 17, 2006 ("Special District Agreement No. 2"), with Fate, the previous developer, and Rockwall County Municipal Utility Districts Nos. 7, 8, and 9 (together with the District, the "New Districts"). Special District Agreement No. 2 provides that the New Districts accept the obligations and provisions of Special District Agreement No. 1, and it acknowledges that the construction and acquisition of roads pursuant to the road powers available to the New Districts is subject to the same rights and obligations as the water, sewer, and drainage facilities referenced in Special District Agreement No. 1.

Pursuant to Special District Agreement No. 1 and Special District Agreement No. 2 (collectively, the "Special District Agreement"), Fate agreed that it shall not exercise its right to dissolve the District until the Bonds, and any additional debt of the District has been repaid. Pursuant to this provision in the Special District Agreement, the District included the prohibition of dissolution in its bond election propositions and in the Bond Order authorizing the issuance and sale of the Bonds.

Location

The District is located in Rockwall County approximately 28 miles northeast of downtown Dallas and within the corporate limits of Fate. The District is bounded by State Highway 66 to the west.

Management of the District

- Board of Directors -

The District is governed by a board, consisting of five directors, which has control over and management supervision of all affairs of the District. Directors' terms are four years with elections held within the District on the first Saturday in May in each even numbered year. All of the directors own property in the District.

Name	Position	Term Expires May
Jill Thrasher	President	2024
Nancy L. Jones	Vice President	2022
Chris Smith	Secretary	2024
Sherry Kent Skinner	Assistant Secretary	2022
Bobbie Hubbard	Assistant Secretary	2022

- Consultants -

Tax Assessor/Collector – Land and improvements in the District are being appraised by the Rockwall Central Appraisal District. The Tax Assessor/Collector is appointed by the Board of Directors of the District. Kevin Passons, Chief Appraiser of the Rockwall Central Appraisal District, currently serves the District in this capacity under contract.

Bookkeeper – The District's bookkeeper is Dye & Tovery, LLC.

Engineer – The consulting engineer retained by the District in connection with the design and construction of the District's facilities is LJA Engineering, Inc. (the "Engineer").

Bond Counsel and General Counsel – The District has engaged Winstead PC, Dallas, Texas, as Bond Counsel in connection with the issuance of the Bonds. The fees of Bond Counsel are contingent upon the sale of and delivery of the Bonds. Winstead PC also serves as the District's general counsel.

Auditor – The District engaged McCall Gibson Swedlund Barfoot PLLC to audit its financial statements for the fiscal year ended August 31, 2019. The District's audited financial statements are attached as "APPENDIX A" to this Official Statement.

Disclosure Counsel – McCall, Parkhurst & Horton L.L.P., Dallas, Texas, serves as Disclosure Counsel to the District. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale and delivery of the Bonds.

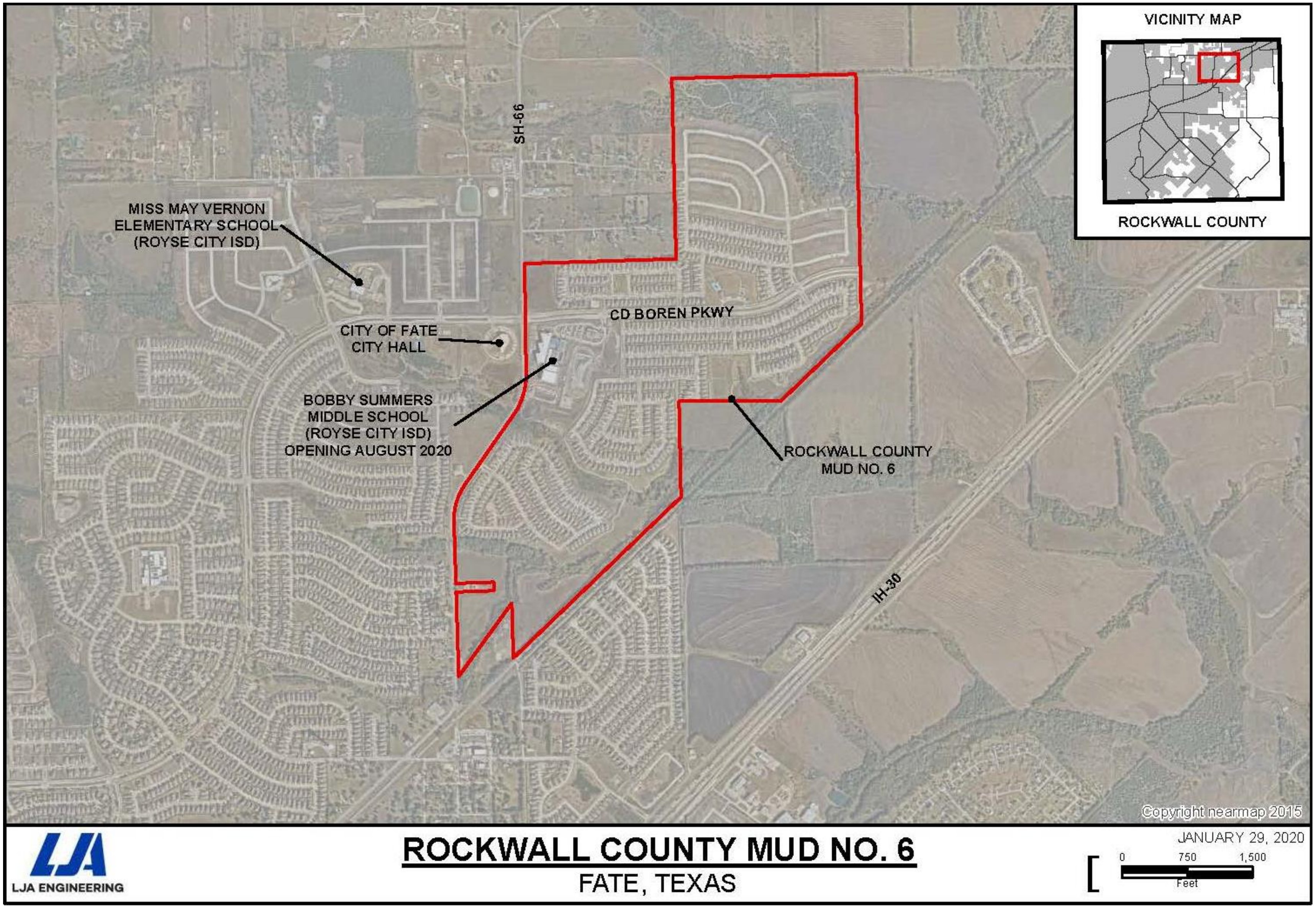
Financial Advisor – The District has engaged the firm of Robert W. Baird & Co. Incorporated as financial advisor to the District (the "Financial Advisor"). Payment to the Financial Advisor by the District is contingent upon the issuance, sale and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

Operating History

The following sets forth in condensed form the historical results of the District's general operating fund. For the fiscal years ended August 31 in the years 2016–2019, such summary has been prepared by the Financial Advisor for inclusion herein based on information obtained from the District's audited financial statements, reference to which is made for further and more complete information. See "APPENDIX A – Financial Statements of the District."

	08/31/19	08/31/18	08/31/17	08/31/16
Revenues				
Property Taxes	$ 174,794	$ 148,790	$ 152,760	$ 140,367
Penalties and Interest	–	469	33	4,572
Investment Revenues	5,183	1,275	689	195
Total Revenues	$ 179,977	$ 150,065	$ 153,482	$ 145,134
Expenditures				
Professional Fees	$ 83,855	$ 109,822	$ 79,427	$ 48,981
Contracted Services	19,441	12,324	7,350	3,318
Other	17,377	25,454	16,712	12,155
Total Expenditures	$ 120,673	$ 147,600	$ 103,489	$ 64,454
Net Change in Fund Balance	$ 59,804	$ 2,934	$ 49,993	$ 80,680
Beginning Fund Balance	$ 170,850	$ 167,916	$ 117,923	$ 37,243
Ending Fund Balance	$ 230,654	$ 170,850	$ 167,916	$ 117,923

LOCATION MAP OF THE DISTRICT



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(September 2020)

DEVELOPMENT WITHIN THE DISTRICT

Current Status of Development

The District is part of the development of Woodcreek, a master-planned community located in the City of Fate, Texas. To date, within the District, a total of approximately 1,015 single-family lots on approximately 280.13 acres have been developed as the residential subdivisions of Woodcreek, Phases 7A, 7B, 7C, 6A, 6B, 6C, 6D, 6E, 6F, 6G and 6K. As of August 31, 2020, development within the District includes approximately 910 completed single-family homes (approximately 871 occupied and approximately 39 unoccupied), approximately 90 single-family homes under construction, and approximately 15 vacant developed single-family lots. The remaining land within the District includes approximately 51.47 undeveloped but developable acres (approximately 32.61 of which are owned by Southstar Woodcreek Developer, LLC, approximately 16.20 of which are owned by D.R. Horton-Texas, Ltd., and approximately 2.66 of which are owned by the City of Fate) and approximately 24.99 acres developed as a middle school.

The table below summarizes the development within the District as of August 31, 2020.

Woodcreek	Acreage (a)	Section Lots	Homes Completed	Homes Under Construction	Vacant Lots
Phase 7A	24.93	100	100	–	–
Phase 7B	10.78	51	51	–	–
Phase 7C	19.62	35	35	–	–
Phase 6A	7.95	14	10	–	4
Phase 6B	31.09	124	124	–	–
Phase 6C	26.10	96	95	–	1
Phase 6D	21.09	67	67	–	–
Phase 6E	33.68	123	121	–	2
Phase 6F	12.92	70	70	–	–
Phase 6G	75.38	248	151	90	7
Phase 6K	16.59	87	86	–	1
Total Residential Developed	280.13	1,015	910	90	15
School Acreage	24.99				
Remaining Developable	51.47				
District Total	356.59				

(a) Acreage for roads, open spaces, and floodplain is included in the total acreage for each subdivision.

Homebuilders Within the District

Currently, DR Horton is the only homebuilder active in the District. New homes being constructed in the District have an average sale price of approximately $225,000.

THE DEVELOPERS

Role of the Developers

In general, the activities of a developer in a municipal utility district, such as the District, include the following: acquiring the land within the district; designing the subdivision, the utilities and streets to be constructed in the subdivision, and any community facilities to be built; defining a marketing program and building schedule; securing necessary governmental approvals and permits for development; arranging for the construction of roads and the installation of utilities; and selling improved lots and commercial reserves to builders and other developers or other third parties. Pursuant to the rules of the TCEQ, a developer can be required to pay up to thirty percent (30%) of the cost of constructing certain water, wastewater and drainage facilities in a municipal utility district. The relative success or failure of a developer to perform such activities in the development of property within a municipal utility district may have a profound effect on the security of the bonds issued by a district. A developer is generally under no obligation to a municipal utility district to develop the property that it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a municipal utility district.

Description of the Developers

D.R. Horton-Texas, Ltd., a Texas limited partnership ("D.R. Horton") and Southstar Woodcreek Developer, LLC ("Southstar") (collectively, the "Developers") are the developers of land within the District. In addition, pursuant to contract, PMB Capital Investments ("PMB") acts as Project Manager for the development of the District for Southstar and acts as a liaison between the District and Southstar.

Development within the District includes Woodcreek Phases 7A, 7B, 7C, 6A, 6B, 6C, 6D, 6E, 6F, 6G and 6K. Phases 6A, 6B, 6C, 6D, 6E, 6F, 6G and 6K have been developed by D.R. Horton. Phases 7B and 7C have been developed by Southstar. And Phase 7A has been developed by Provident Realty.

D.R. Horton is a subsidiary of and controlled by D.R. Horton, Inc. D.R. Horton, Inc. is a publicly-traded corporation whose stock is listed on the New York Stock Exchange. Audited financial statements for D.R. Horton, Inc. can be found online at https://investor.drhorton.com. D.R. Horton, Inc. is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the United States Securities and Exchange Commission ("SEC"). Reports, proxy statements and other information filed by D.R. Horton, Inc. can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

Certain financial information concerning D.R. Horton is included as part of the consolidated financial statements of D.R. Horton, Inc. However, D.R. Horton, Inc. is not legally obligated to provide funds for the development of the District, to provide funds to pay taxes on property in the District owned by D.R. Horton, or to pay any other obligations of D.R. Horton. Further, neither D.R. Horton nor D.R. Horton, Inc. is responsible for, is liable for or has made any commitment for payment of the Bonds or other obligations of the District, and the inclusion of such financial statements and description of financial arrangements by reference herein should not be construed as an implication to that effect. Neither D.R. Horton nor D.R. Horton, Inc. has any legal commitment to the District or owners of the Bonds to continue development of the land within the District and D.R. Horton may sell or otherwise dispose of its property within the District, or any other assets, at any time. Further, the financial condition of D.R. Horton and D.R. Horton, Inc. is subject to change at any time.

As of August 31, 2020, D.R. Horton owned approximately 39 completed homes, approximately 15 vacant developed lots, and approximately 16.20 acres for future development (36 future lots) within the District.

PMB is acting as the Project Manager for development activities in the District for Southstar pursuant to a fee contract. PMB has handled all negotiations with Fate with respect to the acquisition of the water and sewer capacity from Fate. As Project Manager, PMB is responsible for overseeing the installation of major roads, water, wastewater and drainage services and the amenities. The management contract is with Southstar.

The Developers are not responsible for, liable for, or have any commitment for payment of the Bonds. The Developers do not have any legal commitment to the District or the owners of the Bonds to continue development of land within the District and the Developers may sell or otherwise dispose of property within the District, or any assets, at any time. Further, the financial condition of the Developers is subject to change at any time.

Agricultural Waiver

On August 2, 2016, the Developers executed a Waiver of Special Appraisal affecting all land within the District, which was recorded in the real property records of Rockwall County and is a covenant running with the land, waiving the right to have undeveloped land located within the District classified as agricultural, open-space or timberland. In addition, such agreement waives the right of the Developers to have its lots and houses (if any) classified as business inventory. Such agreement may not be modified without approval of the TCEQ and is binding on purchasers of such land within the District.

Construction and Reimbursement Agreements

The District is a party to agreements for the construction and purchase of facilities and reimbursement for costs and amendments thereto with the Developers, which define the conditions under which the District will issue additional bonds to reimburse the Developers for the water, wastewater, drainage and roadway facilities within and outside the District. Under the terms of the agreements, the District has agreed to repay the cost of facilities through a series of bond sales over time. The District's obligation to issue bonds and reimburse the Developers for funds advanced for facilities is subject to various conditions, including approval of such facilities and bonds by the TCEQ, as required by the rules of the TCEQ, approval of the bonds by the Attorney General of Texas, and the recommendation of the District's financial advisor that the sale of the bonds is feasible and prudent.

THE SYSTEM

General

The District's roadway facilities and water, sewer, and drainage facilities have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities. According to the Engineer, the design of all such facilities has been approved by all governmental agencies that have jurisdiction over the District.

Operation of the District's water, wastewater, and drainage facilities is subject to regulation by, among others, the Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revision.

Special District Agreements

The District has, by execution of the Special District Agreement No. 2, entered into Special District Agreement No. 1 with Fate and the previous developers of the District that provides, in part, for Fate to own, operate and maintain the internal and off-site water, wastewater and drainage facilities, and for Fate to provide water and sewer capacity to serve customers within the District.

Special District Agreement No. 2 also provides that the New Districts, including the District, accept the obligations and provisions of Special District Agreement No. 1. The previous developers of the District assigned the agreements to Southstar. See "THE DISTRICT – Special District Agreements."

Water and Wastewater System

The District is located wholly within the corporate limits of the City, and the City holds the water and sewer Certificates of Convenience and Necessity ("CCNs") for all land within the City's corporate limits, including land within the District. Water and wastewater treatment facilities purchased by the District from bond proceeds will be conveyed to, and maintained and operated by, the City. The City receives wholesale water from the North Texas Municipal Water District, and wastewater treatment is provided by the City through the Sabine Creek Regional Wastewater Treatment Plant. As holder of the water and sewer CCNs, the City is required by State law to provide continuous and adequate service to every customer within the District.

Other than the conveyance of District water and wastewater facilities to the City, the District will not issue bonds or use other District funds to finance the cost of water supply and transmission facilities provided by the City; such costs are included in water supply and wastewater impact fees paid directly by the builders to the City.

Drainage System

Stormwater from within the District currently drains through underground lines leading to natural tributaries, such as Parker Creek, Camp Creek or Brushy Creek.

100-Year Flood Plain

Approximately 51.08 acres of the District lie within the FEMA 100-year flood plain. None of the acreage within the floodplain will be used for development.

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations solely of the District and are not obligations of the State of Texas; Rockwall County, Texas; the City of Fate, Texas; or any political subdivision other than the District, will be secured by an annual ad valorem tax, without legal limitation as to rate or amount, levied by the District upon all taxable property located within the District. See "THE BONDS – Source of Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential development and construction industries, not only due to general economic conditions, but also due to the particular factors discussed below.

Infectious Disease Outlook (COVID-19)

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which 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 (the "President") 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"). The Governor has issued successive renewals of the State disaster declarations, most recently renewing such declarations on July 10, 2020. 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 this disaster and issuing executive orders that have the force and effect of law. The Governor has issued several executive orders relating to COVID-19 preparedness and mitigation. 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 affects economic growth within the State of Texas.

Since the disaster declarations were made, 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 the State of Texas. Stock values and crude oil prices, in the U.S. and globally, have seen significant declines attributed to COVID-19 concerns. The State of Texas may be particularly at risk from any global slowdown, given the prevalence of international trade in the state and the risk of contraction in the oil and gas industry and spillover effects into other industries. Moreover, the Dallas-Fort Worth, Texas metropolitan areas may be at particular risk, given that Dallas and Tarrant Counties each have high volumes of cases when compared with the rest of the State of Texas.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the Dallas-Fort Worth, Texas metropolitan areas and could reduce or negatively affect property values or homebuilding activity within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

While the potential impact of COVID-19 on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial and operating data contained herein are the latest available but are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition.

Factors Affecting Taxable Values and Tax Payments

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs.

Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 27 miles from the central downtown business district of the City of Dallas, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Dallas metropolitan and regional economies and the national financial and credit markets. A downturn in the economic conditions of Dallas and the nation could adversely affect development plans in the District and restrain the growth of the District's property tax base.

Competition: The demand for and construction of single-family homes in the District could be affected by competition from other residential developments, including other residential developments located in the northern portion of the Dallas-area market. In addition to competition for new home sales from other developments, there are numerous previously owned homes in the area of the District. Such homes could represent additional competition for new homes proposed to be sold within the District. The competitive position of a builder in the sale of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District and tax revenues to be received by the District.

Economic Factors: The rate of development of the District is directly related to the vitality of the future commercial, retail, and multi-family industries. New commercial, retail, and multi-family construction can be significantly affected by factors such as interest rates, construction costs, energy costs, and consumer demand. Decreased levels of home construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development or home construction in the District other than that which has occurred to date.

Dependence on Principal Taxpayers: The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. As illustrated in this Official Statement under the caption "TAX DATA – Principal Taxpayers," as of January 1, 2020 the District's principal taxpayers owned property located within the District the aggregate assessed valuation of which comprised approximately 7.38% of the District's total taxable assessed valuation. DR Horton – Texas Ltd., the District's top taxpayer, owns property constituting approximately 5.80% of the District's total taxable assessed valuation as of January 1, 2020. See "THE DEVELOPERS – Description of the Developers." In the event that the Developers, any other taxpayer, or any combination of taxpayers, should default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax liens, which is a time-consuming process. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate. The District is not required by law or the Bond Order to maintain any specified amount of surplus in its debt service fund. See "TAX DATA – Principal Taxpayers" and "TAX PROCEDURES – Assessment and Levy."

Developers Under No Obligation to the District: The Developers have informed the District of its current plans to continue to develop land in the District for residential and commercial purposes. However, the Developers are not obligated to implement such plan on any particular schedule or at all. Thus, the furnishing of information related to the proposed development by the Developers should not be interpreted as such a commitment. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developers, or any other subsequent landowners to whom a party may sell all or a portion of their holdings within the District, to implement any plan of development. Furthermore, there is no restriction on the Developers' right to sell their land. The District can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developers. Failure to construct taxable improvements on developed lots and tracts and failure of the Developers to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the Developers (see "TAX DATA – Principal Taxpayers") for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of the Developers will be or what effect, if any, such conditions may have on their ability to pay taxes. See "THE DEVELOPERS" and "DEVELOPMENT WITHIN THE DISTRICT."

Maximum Impact on District Tax Rate: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of District property owners to pay their taxes. The 2020 Taxable Assessed Valuation of property located within the District is $178,156,863 and the Estimate of Assessed Valuation as of July 1, 2020, is $201,259,715. See "TAX DATA." After issuance of the Bonds, the maximum annual debt service requirement on the Outstanding Bonds (herein defined) and the Bonds will be $1,341,625 (2043) and the average annual debt service requirement on the Outstanding Bonds and the Bonds will be $1,200,005 (2021–2050). Assuming no increase to nor decrease from the 2020 Taxable Assessed Valuation, tax rates of $0.80 and $0.71 per $100 of assessed taxable valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Assuming no increase to nor decrease from the Estimate of Assessed Valuation as of July 1, 2020, tax rates of $0.71 and $0.63 per $100 of assessed taxable valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. See "TAX DATA – Tax Rate Calculations." The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners.

For the 2020 tax year, the District levied a total tax of $0.75 per $100 assessed taxable valuation made up of the following: a tax in the amount of $0.32 for payment of debt service on bonds issued for the Utility System, a tax in the amount of $0.33 for payment of debt service on bonds issued for the Road System, and a tax in the amount of $0.10 for payment of expenses for maintenance and operation of the District. Increases in the District's tax rate to substantially higher levels than the current rate of $0.75 per $100 of assessed taxable valuation which the District presently levied may have an adverse impact upon future development of the District, the sale and construction of homes within the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District. In addition, the collection by the District of delinquent taxes owed to it and the enforcement by a registered owner of the Bonds of the District's obligations to collect sufficient taxes may be a costly and lengthy process.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (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 District and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers' right to redeem property within six

(6) months of foreclosure unless the property is his residence homestead or designated for agricultural use, in which case the taxpayer may redeem the property within two years of foreclosure). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. The District's lien on taxable property within the District for taxes levied against such property can be foreclosed only in a judicial proceeding.

Bondholders' Remedies

In the event of default in the payment of principal of or interest on the Bonds, the registered holders of the Bonds ("Bondholders") have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not provide for remedies to protect and enforce the interests of the Bondholders. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Bondholders.

Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's governmental immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Bondholders cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Bondholders may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of Bondholders 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 District. Texas law requires a district, such as the District, to obtain the approval of the Texas Commission on Environmental Quality ("TCEQ") as a condition to seeking relief under the Federal Bankruptcy Code.

Notwithstanding noncompliance by the District with Texas law requirements, the District could file a voluntary bankruptcy petition under Chapter 9 of the Federal Bankruptcy Code ("Chapter 9"), thereby invoking 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 appealable, the concomitant delay and loss of remedies to a Bondholder could potentially and adversely impair the value of the Bondholder's claim.

If the petitioning District were allowed to proceed voluntarily under Chapter 9, it could file a plan for an adjustment of its debts. If such a plan was confirmed by the bankruptcy court, it could, among other things, affect Bondholders 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 Bondholders' claims against the District.

The District may not be placed into bankruptcy involuntarily.

Marketability

The District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds (other than the initial reoffering yields) and has no control over the trading of the Bonds in the secondary market. There is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the bid and asked spread of other bonds generally bought, sold, or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS."

Future Debt

After issuance of the Bonds, the District has the right to issue the remaining $17,715,000 authorized but unissued bonds for water, sewer and drainage facilities, the remaining $35,334,000 authorized but unissued bonds for water, sewer and drainage refunding purposes, the remaining $10,525,000 authorized but unissued bonds for roads, the remaining $32,851,000 authorized but unissued bonds for roads refunding purposes, and additional bonds as may hereafter be approved by both the Board of Directors of the District and the voters of the District. The District also has the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Order and under "THE BONDS – Legal Ability to Issue Additional Debt." All of the remaining bonds that have heretofore been authorized by the voters of the District may be issued by the District from time to time as needed. The issuance of such bonds for waterworks, sanitary sewer, and drainage facilities is subject to approval of the TCEQ. In the fourth quarter of 2020, the District anticipates that it will submit an application to the TCEQ for approval to issue a series of bonds for the financing of water, sewer and drainage facilities. The District expects to issue such bonds in 2021. The principal amount of the bond issue has not been determined.

According to the Developers, after the issuance of the Bonds, there will be approximately $3,720,000 currently remaining to be reimbursed to the Developers for funds advanced for qualified costs.

In the opinion of the District's engineer, the authorized but unissued bonds should be sufficient to fully reimburse and provide utility and roadway service to the remaining undeveloped but potentially developable acreage. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds and the Outstanding Bonds.

Continuing Compliance with Certain Covenants

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

Future and Proposed Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in Congress and in the State of Texas that, if enacted, could alter or amend the federal or state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit, or any benefit, of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Bond Insurance Risk Factors

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 optional redemption, 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 optional prepayment of the Bonds by the District which is recovered by the District from the Bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the bond insurer at such time and in such amounts as would have been due absent such prepayment by the District 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 claims 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 "MUNICIPAL BOND INSURANCE."

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 District or the Initial Purchaser (hereinafter defined) have 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 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 "MUNICIPAL 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.

Competitive Nature of Dallas Residential Market

The housing industry in the Dallas area is very competitive, and the District can give no assurance that the building programs which are planned by the Developers will be continued or completed. The respective competitive positions of the Developers and any of the homebuilders are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Collection of Taxes

The District's ability to pay debt service on the Bonds may be adversely affected by its ability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien on the property in favor of the District on a parity with the lien of all other local authorities. Such lien can be foreclosed in judicial proceedings. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) collection procedures, (b) a bankruptcy court's stay of a tax collection procedure against a taxpayer or (c) market conditions limiting the proceeds from a foreclosure sale of taxable property including the taxpayer's right to redeem property for a specified period of time after foreclosure at the foreclosure sale price. See "TAXING PROCEDURES – Assessment and Levy of Taxes."

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 security of the Bonds as an investment, nor has or will the Attorney General of Texas pass upon the adequacy or accuracy of the information contained in this Official Statement.

LEGAL MATTERS

Legal Opinions

The District will furnish to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Winstead PC, Dallas, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the Bondholders 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 District. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount upon all taxable property within the District, and that interest on the Bonds is excludable from gross income of the owners for federal income tax purposes under existing law and not subject to the alternative minimum tax on individuals.

In addition to serving as Bond Counsel, Winstead PC also serves as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold, and delivered, and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, as Disclosure Counsel.

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.

Legal Review

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of a continuing direct annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District and based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds; the approving legal opinion of Bond Counsel, to a like effect, and to the effect that interest on the Bonds is excludable from gross income of the holders for federal tax purposes under existing law, and the Bonds are not "private activity bonds" under the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax.

In its capacity as Bond Counsel, Winstead PC, has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS" (except for the subsections "Book-Entry-Only System" and "– Use and Distribution of Proceeds of the Bonds"), "TAX PROCEDURES," "THE DISTRICT – General," "– Special District Agreements" and "– Management of the District – Bond Counsel and General Counsel," "THE SYSTEM – Special District Agreements," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subsection "– Compliance with Prior Undertakings") solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, to the effect that no litigation of any nature has been filed or is to their knowledge 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 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.

No Material Adverse Change

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

TAX MATTERS

Opinion

Bond Counsel will render its opinion that, under existing law, and assuming compliance with certain covenants and the accuracy of certain representations, discussed below, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax.

Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met at and subsequent to the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from federal gross income. Included among these continuing requirements are certain restrictions and prohibitions on the use of bond proceeds, yield, and other restrictions on the investment of gross proceeds and other amounts, and the arbitrage rebate requirement that certain earnings on gross proceeds be rebated to the federal government. Failure to comply with these continuing requirements may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of their issuance. The District has covenanted to comply with certain procedures, and has made certain representations and certifications designed to assure compliance with these Code requirements. In rendering its opinion, Bond Counsel will rely on these covenants, on representations and certifications of the District relating to matters solely within its knowledge (which Bond Counsel has not independently verified), and will assume continuing compliance by the District.

The statutes, regulations, published rulings, and court decisions on which Bond Counsel has based its opinion are subject to change by Congress, as well as to subsequent judicial and administrative interpretation by courts and the Internal Revenue Service (the "Service"). No assurance can be given that such law or its interpretation will not change in a manner that would adversely affect the tax treatment of receipt or accrual of interest on, or the acquisition, ownership, market value, or disposition of, the Bonds. No ruling concerning the tax treatment of the Bonds has been sought from the Service, and the opinion of Bond Counsel is not binding on the Service. The Service has an ongoing audit program of tax-exempt obligations to determine whether, in the Service's view, interest on such tax-exempt obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Bonds. If such an audit were to be commenced, under current procedures, the Service would treat the District as the taxpayer, and owners of the Bonds would have no right to participate in the audit process. In this regard, in responding to or defending an audit with respect to the Bonds, the District might have different or conflicting interests from those of the owners of the Bonds.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Bond Order subsequent to the issuance of the Bonds. The Bond Order contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds, the manner in which the proceeds of the Bonds are to be invested, the reporting of certain information to the United States Treasury, and rebating any arbitrage profits to the United States Treasury. Failure to comply with any of these covenants would cause interest on the Bonds to be includable in the gross income of the owners thereof from date of the issuance of the Bonds.

The opinions set forth above are based on existing law and Bond Counsel's knowledge of relevant facts on the date of issuance of the Bonds. Such opinions are an expression of professional judgment and are not a guarantee of result. Except as stated above, Bond Counsel expresses no opinion regarding any other federal, state, or local tax consequences under current law or proposed legislation resulting from the receipt or accrual of interest on, or the acquisition, ownership, or disposition of, the Bonds. Further, Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the issuance date of the Bonds. In addition, Bond Counsel has not undertaken to advise in the future whether any events occurring after the issuance date of the Bonds may affect the tax-exempt status of interest on the Bonds.

Original Issue Discount

Certain of the Bonds (the "Discount Bonds") may be offered and sold to the public at an "original issue discount" ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of such Bonds. In general, the issue price of Discount Bonds is the first price at which a substantial amount of Discount Bonds of the same maturity are sold to the public (other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers).

For federal income tax purposes, OID accrues to the owner of a Discount Bond over such Discount Bond's period to maturity based on the constant interest rate method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). Bond Counsel is of the opinion that the portion of OID that accrues during the ownership period of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as is other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale, or other disposition of that Discount Bond. OID may be treated as continuing to accrue even if payment of the Discount Bonds becomes doubtful in the event that the District encounters financial difficulties, and it is treated as interest earned by cash-basis owners, even though no cash corresponding to the accrual is received in the year of accrual. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond.

The federal income tax consequences of the acquisition, ownership, redemption, sale, or other disposition of Discount Bonds not purchased in the initial offering at the initial offering price may be determined according to rules different from those described above. Owners of such Discount Bonds should consult their tax advisors regarding the federal, state, and local income tax treatment and consequences of acquisition, ownership, redemption, sale, or other disposition of such Discount Bonds.

Original Issue Premium

Certain maturities of the Bonds (the "Premium Bonds") may be offered and sold to the public at prices greater than their stated redemption prices (the principal amount) payable at maturity ("Bond Premium"). In general, under section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Collateral Tax Consequences Summary

The following discussion is a brief discussion of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification, retroactively. Prospective investors should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by section 884 of the Code.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. PROSPECTIVE 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, owners 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 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 owner 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 of 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.

Changes in Law

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 or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Not Qualified Tax-Exempt Obligations

The District has not designated the Bonds as "qualified tax-exempt obligations" for financial institutions.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following covenants for the benefit of the holders of the Bonds. The District is required to observe these covenants for so long as it remains obligated to pay the Bonds. Under the covenants, the District will be obligated to provide certain updated financial information and operating data annually, as well as timely notice of specified events, to the Municipal Securities Rulemaking Board or any successor to its function as a repository (the "MSRB"), through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain financial information and operating data annually. The financial information and operating data which will be provided is found in the section titled "SELECTED FINANCIAL INFORMATION," "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement," "DISTRICT DEBT – Debt Service Requirement Schedule," "TAX DATA," and "APPENDIX A – Financial Statements of the District." The District will update and provide this information to the MSRB through its EMMA system within six months after the end of each of its fiscal years ending in or after 2020. The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC"). The updated information will include audited financial statements if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District shall provide unaudited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's current fiscal year end is August 31. Accordingly, it must provide updated information by the last day in the month of February of each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) 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 events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District; (13) consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default remedies, priority rights, or other similar terms of a financial obligation of the District, 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 District, any of which reflect financial difficulties.

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent, or similar officer for the 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 District; (ii) or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and order of a court or governmental authority; or (iii) 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 District.

The term "financial obligation" shall mean, for purposes of the events in clauses (15) and (16), 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 (a) or (b); 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 Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement.

In addition, the District will provide timely notice of any failure by the District to provide information, data, financial statements, or notices in accordance with its agreement described above.

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access continuing disclosure information filed with the MSRB through its EMMA system at www.emma.msrb.org.

Limitations and Amendments

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

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or operations of the District, but only if (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with Rule 15c2-12, taking into account any amendments or interpretations of Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the Outstanding Bonds consent to the amendment or (b) any qualified professional unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided. The District may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of Rule 15c2-12 are invalid, and the District also may amend its continuing disclosure agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that such amendment would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to such amendment and any amendments or interpretations of Rule 15c2-12.

Compliance with Prior Undertakings

During the past five years, the District has complied in all material respects with its previous continuing disclosure agreement made in accordance with Rule 15c2-12.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Rockwall Central Appraisal District and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below under "Certification of Official Statement." The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The District's audited financial statements for the year ended August 31, 2019, were prepared by McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, and have been included herein as "APPENDIX A." McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, has agreed to the publication of its audit opinion on such financial statements in this Official Statement.

Experts

The information contained in this Official Statement relating to engineering, to the description of the System generally and, in particular, the engineering information included in the section captioned "THE SYSTEM," has been provided by the Engineer. Such information has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning valuations contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" has been provided by the Rockwall Central Appraisal District, in reliance upon the authority of said appraisal district as an expert in the field of tax assessing and real property appraisal.

Updating of Official Statement

The District will keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, to the other matters described in the Official Statement, until the delivery of the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

Certification of Official Statement

At the time of payment for and delivery of the Bonds, the District will furnish the Initial Purchaser a certificate, executed by appropriate officials of the Board, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the information, descriptions and statements of or pertaining to the District contained in this Official Statement, on the date thereof and on the date of delivery were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (c) insofar as the descriptions and statements, including financial data contained in this Official Statement, of or pertaining to entities other than the District and their activities are concerned, such statements and data have been obtained from sources which the District believes to be reliable and that the District has no reason to believe that they are untrue in any material respect or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; however, the District has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District.

This Official Statement was approved by the Board of Directors of Rockwall County Municipal Utility District No. 6 as of the date shown on the first page thereof.

/s/ Jill Thrasher
President, Board of Directors
Rockwall County Municipal Utility District No. 6

ATTEST:

/s/ Chris Smith
Secretary, Board of Directors
Rockwall County Municipal Utility District No. 6

APPENDIX A

Financial Statements of the District

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

ROCKWALL COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

AUGUST 31, 2019

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

T A B L E O F C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rockwall County Municipal Utility District No. 6
Rockwall County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Rockwall County Municipal Utility District No. 6 (the "District"), as of and for the year ended August 31, 2019, 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.

Board of Directors
Rockwall County Municipal Utility
District No. 6

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 August 31, 2019, 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General 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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

November 19, 2019

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2019

Management's discussion and analysis of Rockwall County Municipal Utility District No. 6's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2019. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all of the District's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund type. The General Fund accounts for resources not accounted for in another fund, maintenance tax revenues, costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). The budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $24,002,237 as of August 31, 2019.

The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in the Statement of Net Position

	2019	2018	Change Positive (Negative)
Total Assets	$ 1,429,759	$ 731,725	$ 698,034
Land	88,253	88,253	-
Total Assets	$ 1,518,012	$ 819,978	$ 698,034
Due to Developers	$ 8,352,056	$ 11,421,869	$ 3,069,813
Long - Term Liabilities	14,902,352	6,223,090	(8,679,262)
Other Liabilities	2,265,841	2,431,451	165,610
Total Liabilities	$ 25,520,249	$ 20,076,410	$ (5,443,839)
Net Position:			
Net Investment in Capital Assets	$ (24,793,559)	$ 88,253	$ (24,881,812)
Restricted	558,346	197,588	360,758
Unrestricted	232,976	(19,542,273)	19,775,249
Total Net Position	$ (24,002,237)	$ (19,256,432)	$ (4,745,805)

The following table provides a summary of the District's operations for the year ended August 31, 2019 and August 31, 2018. The District decreased its net position by $4,745,805.

Summary of Changes in the Statement of Activities

	2019	2018	Change Positive (Negative)
Revenues:			
Property Taxes	$ 639,419	$ 241,325	$ 398,094
Other Revenues	22,196	3,313	18,883
Total Revenues	$ 661,615	$ 244,638	$ 416,977
Expenses for Services	5,407,420	8,261,995	2,854,575
Change in Net Position	$ (4,745,805)	$ (8,017,357)	$ 3,271,552
Net Position, Beginning of Year	(19,256,432)	(11,239,075)	(8,017,357)
Net Position, End of Year	$ (24,002,237)	$ (19,256,432)	$ (4,745,805)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of August 31, 2019, were $(580,462), an increase of $1,027,044 from the prior year.

The General Fund fund balance increased by $59,804, primarily due to property tax revenues exceeding operating costs.

The Debt Service Fund fund balance increased by $464,529, primarily due to the structure of the District's outstanding debt and the proceeds from bond sales.

The Capital Projects Fund fund balance increased by $502,711 primarily due to issuance of bonds offset by the Series 2019 BAN payable being outstanding at year-end.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors amended the budget during the current fiscal year to increase budgeted property tax revenue. Actual revenues were $4,908 more than budgeted revenues. Actual expenditures were $19,696 less than budgeted.

CAPITAL ASSETS

Capital assets as of August 31, 2019 total $88,253 and include land for detention ponds in Woodcreek, Phases 6C and 6D.

Additionally, the District operates in contractual conjunction with the City of Fate, Texas (the "City"). In this arrangement, the facilities constructed by the District are conveyed to the City. The City maintains the facilities and operates the facilities for the benefit of the residents of the District. During the fiscal year ending August 31, 2019, the District recorded $3,436,567 in transfers to the City in relation to assets that have been conveyed to the City.

LONG-TERM DEBT ACTIVITY

As of August 31, 2019, the District had total debt payable of $14,955,000. The changes of the debt position of the District during fiscal year ended August 31, 2019, are summarized as follows:

Bond Debt Payable, September 1, 2018	$ 6,255,000
Add: Bond Sales	8,700,000
Bond Debt Payable, August 31, 2019	$ 14,955,000

The District's Series 2016 Road, Series 2017 Utility, 2017 Road, Series 2018 Road and 2018 Utility Bonds do not carry an underlying rating. The Series 2019 Road Bonds carry an underlying rating of "Baa3". The Series 2018 Road, 2018 Utility and 2019 Road Bonds carry an insured rating of "AA" based on a policy issued by Build America Mutual Assurance Corporation.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Rockwall County Municipal Utility District No. 6, c/o Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET AUGUST 31, 2019

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 3,616	$ 100,882
Investments	225,620	662,951
Receivables:		
Property Taxes	2,322	1,414
Due from Other Funds	12,277	
Prepaid Costs	4,236	
Land		
TOTAL ASSETS	$ 248,071	$ 765,247
LIABILITIES		
Accounts Payable	$ 15,095	$
Accrued Interest Payable		
Due to Other Funds		1,988
Due to Developer		
Accrued Interest at Time of Sale		5,557
Bond Anticipation Note Payable		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 15,095	$ 7,545
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 2,322	$ 1,414
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 4,236	$
Restricted for Authorized Construction		
Restricted for Debt Service		756,288
Unassigned	226,418	
TOTAL FUND BALANCES	$ 230,654	$ 756,288
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 248,071	$ 765,247
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 78,153	$ 182,651		$ 182,651
350,565	1,239,136		1,239,136
	3,736		3,736
	12,277	(12,277)	
	4,236		4,236
		88,253	88,253
$ 428,718	$ 1,442,036	$ 75,976	$ 1,518,012
$ 7,800	$ 22,895	$	$ 22,895
5,033	5,033	204,913	209,946
10,289	12,277	(12,277)	
		8,352,056	8,352,056
	5,557	(5,557)	
1,973,000	1,973,000		1,973,000
		60,000	60,000
		14,902,352	14,902,352
$ 1,996,122	$ 2,018,762	$ 23,501,487	$ 25,520,249
$ -0-	$ 3,736	$ (3,736)	$ -0-
$	$ 4,236	$ (4,236)	$
(1,567,404)	(1,567,404)	1,567,404	
	756,288	(756,288)	
	226,418	(226,418)	
$ (1,567,404)	$ (580,462)	$ 580,462	$ - 0 -
$ 428,718	$ 1,442,036		
		$ (24,793,559)	$ (24,793,559)
		558,346	558,346
		232,976	232,976
		$ (24,002,237)	$ (24,002,237)

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
AUGUST 31, 2019

Total Fund Balances - Governmental Funds		$ (580,462)
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Deferred inflows of resources related to property tax revenues for the 2018 and prior tax levies became part of recognized revenue in the governmental activities of the District.		3,736
Capital assets are not current financial resources and, therefore, are not reported as assets in the governmental funds.		88,253
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Due to Developer	$ (8,352,056)	
Accrued Interest Payable	(199,356)	
Bonds Payable Within One Year	(60,000)	
Bonds Payable After One Year	(14,902,352)	(23,513,764)
Total Net Position - Governmental Activities		$ (24,002,237)

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

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2019

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 174,794	$ 462,953
Penalty and Interest		319
Investment Revenues	5,183	9,757
TOTAL REVENUES	$ 179,977	$ 473,029
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 83,855	$
Contracted Services	19,441	6,459
Other	17,377	700
Capital Outlay		
Developer Interest		
Conveyance of Assets		
Debt Service:		
Bond Interest		295,891
BAN/Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	$ 120,673	$ 303,050
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 59,304	$ 169,979
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	$ 500	$
Long-Term Debt Issued		294,550
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	$ 500	$ 294,550
NET CHANGE IN FUND BALANCES	$ 59,804	$ 464,529
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - SEPTEMBER 1, 2018	170,850	291,759
FUND BALANCES/NET POSITION - AUGUST 31, 2019	$ 230,654	$ 756,288

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 637,747	$ 1,672	$ 639,419
	319		319
6,937	21,877		21,877
$ 6,937	$ 659,943	$ 1,672	$ 661,615
$	$ 83,855	$	$ 83,855
	25,900		25,900
	18,077		18,077
6,506,379	6,506,379	(6,506,379)	
570,259	570,259		570,259
		3,436,567	3,436,567
	295,891	100,207	396,098
876,664	876,664		876,664
$ 7,953,302	$ 8,377,025	$ (2,969,605)	$ 5,407,420
$ (7,946,365)	$ (7,717,082)	$ 2,971,277	$ (4,745,805)
$ (500)	$	$	$
8,405,450	8,700,000	(8,700,000)	
44,126	44,126	(44,126)	
$ 8,449,076	$ 8,744,126	$ (8,744,126)	$ -0-
$ 502,711	$ 1,027,044	$ (1,027,044)	$
		(4,745,805)	(4,745,805)
(2,070,115)	(1,607,506)	(17,648,926)	(19,256,432)
$ (1,567,404)	$ (580,462)	$ (23,421,775)	$ (24,002,237)

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

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2019

Net Change in Fund Balances - Governmental Funds	$ 1,027,044
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	1,672
Governmental funds report bond premiums as other financing sources in the year received. However, in the Statement of Net Position, bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	(44,126)
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	(100,207)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(8,700,000)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	6,506,379
Conveyance of assets to others is recorded as an expense in the Statement of Activities.	(3,436,567)
Change in Net Position - Governmental Activities	$ (4,745,805)

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

NOTE 1. CREATION OF DISTRICT

Rockwall County Municipal Utility District No. 6 (the "District") was created by Senate Bill 1855, passed by the 79th Legislature, Regular Session, of the State of Texas, operating pursuant to Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and by a confirmation election held within the District on May 13, 2006. The District operates under Chapters 49 and 54 of the Texas Water Code and other general laws of the State of Texas applicable to municipal utility districts. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended. The District is empowered to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water, among other things. The District may also provide solid waste collection and disposal service and operate and maintain recreational facilities. Currently the District's water and wastewater are provided by contract with the City of Fate, Texas (the "City") as described under "Special District Agreements," see Note 6. The District may operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters and the TCEQ. The District does not operate and/or maintain a fire department. The District is subject to the continuing supervision of the TCEQ and is located exclusively within the corporate limits of the City. The District held its organizational meeting on October 18, 2005, and sold its first series of bonds on December 21, 2016.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statement as component units.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District’s Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated to obtain net total revenues and expenses of the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has three governmental fund and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, maintenance tax revenues, costs and general expenditures.

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

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

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Basis of Accounting (Continued)

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of August 31, 2019, the Debt Service Fund owed the General Fund $1,988 for maintenance tax collections and the Capital Projects Fund owed the General Fund $10,289 for bond issuance costs. During the current fiscal year, the Capital Projects Fund recorded a transfer to the General Fund in the amount of $500 for bond costs paid in a prior year.

Capital Assets

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

The District chose to early implement GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* Interest costs will no longer be capitalized as part of the asset but will be shown as an expenditure in the fund financial statements and as an expense in the government-wide financial statements.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than $10,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	40
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
All Other Equipment	3-20

To date all capital assets constructed by the District have been conveyed to the City of Fate, Texas for operations and maintenance, except for detention pond land in Woodcreek, Phases 6C and 6D.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was amended during the current fiscal year.

Pensions

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

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

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

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

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. LONG-TERM DEBT

	Road Series 2016	Series 2017	Road Series 2017
Amount Outstanding – August 31, 2019	$ 2,360,000	$ 2,415,000	$ 1,480,000
Interest Rates	2.10% - 4.25%	2.00% - 4.00%	2.00% - 3.75%
Maturity Dates – Serially Beginning/Ending	October 1, 2019/2042	October 1, 2020/2042	October 1, 2020/2042
Interest Payment Dates	October 1/April 1	October 1/April 1	October 1/April 1
Callable Dates	October 1, 2024*	October 1, 2025*	October 1, 2025*

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2018	Road Series 2018	Road Series 2019
Amount Outstanding – August 31, 2019	$ 3,945,000	$ 2,000,000	$ 2,755,000
Interest Rates	3.50% - 6.00%	3.50% - 6.00%	3.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2020/2043	October 1, 2020/2043	October 1, 2021/2044
Interest Payment Dates	October 1/April 1	October 1/April 1	October 1/April 1
Callable Dates	October 1, 2023*	October 1, 2023*	October 1, 2024*

* In whole or in part, or any date thereafter at par plus unpaid accrued interest. Series 2016 Road term bonds maturing October 1, 2032, October 1, 2036, October 1, 2039, and October 1, 2042 are subject to mandatory redemption beginning October 1, 2030, October 1, 2033, October 1, 2037, and October 1, 2040, respectively. Series 2017 Utility term bonds maturing October 1, 2042 are subject to mandatory redemption beginning October 1, 2037. Series 2017 Road term bonds maturing October 1, 2032 and October 1, 2042 are subject to mandatory redemption beginning October 1, 2028 and October 1, 2033, respectively. Series 2018 Utility term bonds maturing October 1, 2034, October 1, 2036, October 1, 2038, October 1, 2040, and October 1, 2043 are subject to mandatory redemption beginning October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039 and October 1, 2041, respectively. Series 2018 Road term bonds maturing on October 1, 2032, October 1, 2034, October 1, 2036, October 1, 2038, October 1, 2040 and October 1, 2043 are subject to mandatory redemption beginning October 1, 2031, October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039 and October 1, 2041, respectively. Series 2019 Road term bonds maturing on October 1, 2031, October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039 and October 1, 2044 are subject to mandatory redemption beginning October 1, 2030, October 1, 2032, October 1, 2034, October 1, 2036, October 1, 2038 and October 1, 2040, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended August 31, 2019:

	September 1, 2018	Additions	Retirements	August 31, 2019
Bonds Payable	$ 6,255,000	$ 8,700,000	$	$ 14,955,000
Unamortized Discounts	(31,910)		(1,314)	(30,596)
Unamortized Premiums		38,302	354	37,948
Bonds Payable, Net	$ 6,223,090	$ 8,738,302	$ (960)	$ 14,962,352

Amount Due Within One Year	$ 60,000
Amount Due After One Year	14,902,352
Bonds Payable, Net	$ 14,962,352

As of August 31, 2019, the District had authorized but unissued bonds in the amount of $20,820,000 for water, sanitary sewer and drainage bonds, $68,185,000 for refunding bonds and $16,675,000 for road bonds.

As of August 31, 2019, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2020	$ 60,000	$ 533,441	$ 593,441
2021	315,000	553,953	868,953
2022	410,000	539,578	949,578
2023	425,000	522,628	947,628
2024	440,000	504,689	944,689
2025-2029	2,480,000	2,253,315	4,733,315
2030-2034	2,970,000	1,775,986	4,745,986
2035-2039	3,590,000	1,167,696	4,757,696
2040-2044	4,105,000	413,778	4,518,778
2045	160,000	2,500	162,500
	$ 14,955,000	$ 8,267,564	$ 23,222,564

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

During the year ended August 31, 2019, the District levied an ad valorem debt service tax rate of $0.55 per $100 of assessed valuation, which resulted in a tax levy of $457,274 on the adjusted taxable valuation of $83,152,415 for the 2018 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

NOTE 3. LONG-TERM DEBT (Continued)

The District's tax calendar is as follows:

Levy Date	- October 1, or as soon thereafter as practicable.
Lien Date	- January 1.
Due Date	- Not later than January 31.
Delinquent Date	- February 1, at which time the taxpayer is liable for penalty and interest.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond orders state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

For the bonds sold, the District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds be rebated to the federal government, within the meaning of Section 148(f) of the Internal Revenue Code.

In accordance with the Series 2016 Road, Series 2018 Utility, Series 2018 Road and Series 2019 Road bond orders, a portion of the bond proceeds was deposited into the Debt Service Fund and restricted for the payment of bond interest. Transactions for the current year are summarized as follows:

Restricted - Bond Interest – September 1, 2018	$ 200,059
Add: Bond Interest	294,550
Less: Interest Paid	160,347
Restricted - Bond Interest – August 31, 2019	$ 334,262

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $487,900 and the bank balance was $496,607. The bank balance was fully covered by federal depository insurance.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at August 31, 2019, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 3,616	$ 102,618	$ 106,234
DEBT SERVICE FUND	100,882	202,631	303,513
CAPITAL PROJECTS FUND	78,153		78,153
TOTAL DEPOSITS	$ 182,651	$ 305,249	$ 487,900

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in LOGIC, 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. FirstSouthwest and JPMorgan Chase manage the daily operations of the pool under a contract with the Comptroller. LOGIC 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 LOGIC at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from LOGIC.

The District records its investments in certificates of deposits at acquisition cost.

As of August 31, 2019, the District had the following investments and maturities:

		Maturities in Years		
Fund and Investment Type	Fair Value	Less Than 1	1-5	6-10
GENERAL FUND				
LOGIC	$ 123,002	$ 123,002	$	$
Certificates of Deposit	102,618	102,618		
DEBT SERVICE FUND				
LOGIC	460,320	460,320		
Certificates of Deposit	202,631	202,631		
CAPITAL PROJECTS FUND				
LOGIC	350,565	350,565		
TOTAL INVESTMENTS	$ 1,239,136	$ 1,239,136	$ - 0 -	$ - 0 -

Credit risk is the risk that the issuer of other counterparty to an investment will not fulfill its obligations. As of August 31, 2019, the District's investment in LOGIC was rated AAA by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit below FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in LOGIC to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there is a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of one year or less.

Restrictions

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

NOTE 6. CAPITAL ASSETS

Capital assets as of August 31, 2019 total $88,253 and include land for detention ponds in Woodcreek, Phases 6C and 6D. Additionally, the District operates in contractual conjunction with the City of Fate, Texas (the "City"). In this arrangement, the facilities constructed by the District are conveyed to the City. The City maintains the facilities and operates the facilities for the benefit of the residents of the District. Therefore, the District does not have capital assets on its balance sheet. During the fiscal year ending August 31, 2019, the District recorded $3,436,567 in transfers to the City in relation to assets that have been conveyed to the City.

NOTE 7. MAINTENANCE TAX

On May 13, 2006, the voters of the District approved the levy and collection of a maintenance tax in an unlimited amount per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater systems. During the current fiscal year, the District levied an ad valorem maintenance tax at the rate of $0.20 per $100 of assessed valuation, which resulted in a tax levy of $166,281 on the adjusted taxable valuation of $83,152,415 for the 2018 tax year.

NOTE 8. SPECIAL DISTRICT AGREEMENT

Rockwall County Consolidated Municipal Utility District No. 1 (District No. 1), Rockwall County Consolidated Municipal Utility District No. 2 (District No. 2), the City of Fate, Texas (the "City") and PRA/Fate Development Corp., the Developer within the District, have entered into the Special District Agreement dated December 1, 2003. Pursuant to the terms of the agreement, the City agrees to provide retail water capacity to 1,300 residential units and sewer capacity to 700 residential units within the districts. The City agrees to own, operate and maintain the facilities and charge user fees equal to those charged others within its boundaries. Under the agreement, the Developer agrees to finance and construct on behalf of the districts the internal water, sewer and drainage facilities.

On May 17, 2006, the District, District No. 1, Rockwall County Municipal Utility District's No. 7, 8 and 9 (District's No. 7, 8 and 9), the City, and PRA/Fate Development Corp. entered into the Special District Agreement No. 2. This agreement noted that District No. 2 has become dormant and that the District and District's No. 7, 8 and 9 have been created over land comprising of District No. 2 and are now party to the original agreement in the place of District No. 2. It was also noted that the newly created districts have certain road powers that the District does not have and that the construction and acquisition of roads will be subject to the same rights and obligations as the water, sewer and drainage facilities referenced in the original agreement. Pursuant to the terms of the agreement, the City agrees to provide additional retail water capacity to 1,000 residential units and sewer capacity to 500 residential units with the districts.

NOTE 8. SPECIAL DISTRICT AGREEMENT (Continued)

Pursuant to the Capacity Allocation Agreement between the District, District No. 1 and District's No. 7, 8 and 9 approved on September 19, 2006, the districts have agreed that all the water and sewer capacity mentioned in the Special District Agreement and the Special District Agreement No. 2 will be allocated to District No. 1. The districts will cooperate with the Developer and the City for any additional water and sewer capacity that will be needed by any of the districts. PRA/Fate Development Corp., the original developer, has assigned the agreements to Southstar Woodcreek Developer, LLC.

NOTE 9. UNREIMBURSED COSTS

The District has executed development financing agreements with Developers within the District. These agreements call for the Developers to fund costs associated with water, sewer and drainage facilities and to advance monies to fund operations until such time as the District can sell bonds to reimburse the Developers. As reflected in the Statement of Net Position, $8,352,056 has been recorded as a liability for completed facilities financed by Developers. Reimbursement to the Developers will come from future bond sales.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, error and omission and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 11. WATER AND WASTEWATER CAPACITY

On June 24, 2003, the City and PRA/Fate Development Corp ("PRA/Fate") entered into an agreement for certain off-site water and sewer improvements to serve the District (the "2003 Agreement"). PRA/Fate agreed to pay the entire cost for the design and construction of the improvements and, as consideration for the construction of the improvements, the City shall provide access, capacity and rights to water and sewer services for PRA/Fate to be used on the property provided by the improvements.

In order to adequately serve the property with sewer service, the City has become a member of the Sabine Creek Wastewater System, which is owned and operated by North Texas Municipal Water District ("NTMWD"). The City's capacity contracts with NTMWD require annual debt service payments from the City to NTMWD. Any shortfall between the City's sewer revenue and the debt service payment to NTMWD related to District No. 1 would be paid by PRA/Fate pursuant to the 2003 Agreement.

NOTE 11. WATER AND WASTEWATER CAPACITY (Continued)

On November 15, 2010, the 2003 Agreement was amended. On September 24, 2013, PRA/Fate assigned the reimbursement rights to Southstar Woodcreek Developer, LLC ("the Developer"). The City will remain obligated to fully reimburse the Developer for remaining unreimbursed project costs. In consideration for the Developer funding the project costs and project improvements, the City agrees to provide the Developer, and in turn District No. 1, with 2,300 residential units of water capacity and 1,200 residential units of wastewater capacity.

In consideration for the provisions of wastewater service to District No. 1 and reservation of wastewater capacity for District No. 1 the Developer had made and shall make annual payments to the City according to the following schedule; $400,000, 200,000, and $152,525 due on November 30, 2010, September 30, 2011 and September 30, 2012 respectively, for the debt service payments to NTMWD. District No. 1 paid these amounts to the City, in lieu of Developer payment or as reimbursement to the Developer for prior payments which are of benefit to District No. 1, in a prior fiscal year. After payment of these amounts, the Developer and District No. 1 have no other obligation to pay such shortfall amounts to the City. The term of the agreement is the earlier of 20 years or satisfaction of all terms and conditions by the parties to the agreement.

NOTE 12. BOND SALES

On December 20, 2018, the District closed on the sale of its $3,945,000 Series 2018 Unlimited Tax Utility Bonds and its $2,000,000 Series 2018 Unlimited Tax Road Bonds. Proceeds from the Utility Bond sale were used to reimburse developers for a portion of the costs associated with water, wastewater, and drainage improvements serving Woodcreek, Phase 6A, 6B, and 6C as well as for costs associated with land acquisition costs for Phase 6D detention pond and water impact fees. In addition, proceeds of the Utility Bonds will be used to redeem the 2018 BAN, pay for capitalized interest, and to pay for issuance costs of the bonds. Proceeds from the Road Bond sale were used to reimburse developers for a portion of the costs associated with road improvements to serve Woodcreek, Phases 6C and 6D and to pay for capitalized interest and issuance costs of the bonds.

On July 24, 2019, the District closed on the sale of its $2,755,000 Series 2019 Road Bonds. Proceeds from the bond sale were used to reimburse developers for a portion of the costs associated with road improvements and engineering to serve Woodcreek, Phases 6D, 6K, 7C, 6E, and 6F, and to pay for capitalized interest and issuance costs of the bonds.

NOTE 13. SALE OF BOND ANTICIPATION NOTE

On July 31, 2019, the District closed on the sale of its $1,973,000 Series 2019 Bond Anticipation Note (BAN). Proceeds from the BAN sale were used to reimburse the Developer for a portion of the costs associated with construction and engineering for water, wastewater and drainage facilities to serve the following: Woodcreek, Phases 6C, 6D, 7C and 6K; to pay for costs associated with impact fees; and to pay for issuance costs of the BAN.

NOTE 14. DEFICIT FUND BALANCE

The Capital Projects Fund has a deficit fund balance of $1,567,404 as of August 31, 2019 due to the issuance of the Series 2019 BAN (see Note 13). This deficit is projected to be eliminated upon the issuance of bonds, which the District expects to sell in the next fiscal year.

NOTE 15. PENDING BOND APPLICATION

The District has submitted a bond application to the Commission that is still pending as of the report date. Proceeds of the bonds are expected to be used to reimburse developers for costs associated with various water, wastewater, and drainage facilities, to redeem the Series 2019 BAN and to pay for issuance costs associated with the BAN and the bonds.

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2019

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2019

	Original Budget	Final Amended Buddget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	$ 141,308	$ 171,565	$ 174,794	$ 3,229
Investment Revenues	1,800	3,504	5,183	1,679
TOTAL REVENUES	$ 143,108	$ 175,069	$ 179,977	$ 4,908
EXPENDITURES				
Services Operations:				
Professional Fees	$ 105,883	$ 105,883	$ 83,855	$ 22,028
Contracted Services	14,400	14,400	19,441	(5,041)
Other	20,086	20,086	17,377	2,709
TOTAL EXPENDITURES	$ 140,369	$ 140,369	$ 120,673	$ 19,696
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 2,739	$ 34,700	$ 59,304	$ 24,604
OTHER FINANCING SOURCES(USES)				
Transfers In	$ -0-	$ -0-	$ 500	$ 500
NET CHANGE IN FUND BALANCE	$ 2,739	$ 34,700	$ 59,804	$ 25,104
FUND BALANCE - SEPTEMBER 1, 2018	170,850	170,850	170,850	
FUND BALANCE - AUGUST 31, 2019	$ 173,589	$ 205,550	$ 230,654	$ 25,104

See accompanying independent auditor's report.

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ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

AUGUST 31, 2019

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
SERVICES AND RATES
FOR THE YEAR ENDED AUGUST 31, 2019

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

______	Retail Water	______	Wholesale Water	______	Drainage
______	Retail Wastewater	______	Wholesale Wastewater	______	Irrigation
______	Parks/Recreation	______	Fire Protection	______	Security
______	Solid Waste/Garbage	______	Flood Control	______	Roads
______	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
X	Other: The District operates in contractual conjunction with the City of Fate				

2. RETAIL SERVICE PROVIDERS (NOT APPLICABLE)

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (NOT APPLICABLE)

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes ___ No X

Does the District have Operation and Maintenance standby fees? Yes ___ No X

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No ___

County in which District is located:

Rockwall County, Texas

Is the District located within a city?

Entirely X Partly ___ Not at all ___

See accompanying independent auditor's report.

5. LOCATION OF DISTRICT: (Continued)

City in which District is located:

City of Fate, Texas

Are Board Members appointed by an office outside the District?

Yes ____ No __X__

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2019

PROFESSIONAL FEES:		
Auditing	$	12,250
Engineering		20,175
Legal		51,430
TOTAL PROFESSIONAL FEES	$	83,855
CONTRACTED SERVICES:		
Appraisal District	$	1,469
Bookkeeping		17,972
TOTAL CONTRACTED SERVICES	$	19,441
ADMINISTRATIVE EXPENDITURES:		
Director Fees	$	7,800
Insurance		4,235
Payroll Taxes		620
Travel and Meetings		1,345
Other		3,377
TOTAL ADMINISTRATIVE EXPENDITURES	$	17,377
TOTAL EXPENDITURES	$	120,673

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
INVESTMENTS
AUGUST 31, 2019

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
LOGIC	XXXX7001	Varies	Daily	$ 123,002	$
Certificate of Deposit	XXXX0704	2.50%	04/03/20	102,618	
TOTAL GENERAL FUND				$ 225,620	$ - 0 -
DEBT SERVICE FUND					
LOGIC	XXXX7002	Varies	Daily	$ 460,320	$
Certificate of Deposit	XXXX0877	2.50%	02/21/20	202,631	
TOTAL DEBT SERVICE FUND				$ 662,951	$ - 0 -
CAPITAL PROJECTS FUND					
LOGIC	XXXX7003	Varies	Daily	$ 350,565	$ - 0 -
TOTAL - ALL FUNDS				$ 1,239,136	$ - 0 -

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

TAXES LEVIED AND RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2019

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - SEPTEMBER 1, 2018	$ 1,951		$ 113	
Adjustments to Beginning Balance	8,884	$ 10,835	6,980	$ 7,093
Original 2018 Tax Levy	$ 143,785		$ 395,410	
Adjustment to 2018 Tax Levy	22,496	166,281	61,864	457,274
TOTAL TO BE ACCOUNTED FOR		$ 177,116		$ 464,367
TAX COLLECTIONS:				
Prior Years	$ 9,027		$ 7,093	
Current Year	165,767	174,794	455,860	462,953
TAXES RECEIVABLE - AUGUST 31, 2019		$ 2,322		$ 1,414
TAXES RECEIVABLE BY YEAR:				
2018		$ 514		$ 1,414
2016		1,808		
TOTAL		$ 2,322		$ 1,414

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2019

	2018	2017	2016	2015
PROPERTY VALUATIONS:				
Land	$ 27,473,789	$ 16,994,990	$ 9,766,343	$ 6,902,430
Improvements	57,930,263	12,487,787	10,680,924	12,495,589
Personal Property	24,980	23,860	90	1,360
Exemptions	(2,276,617)	(1,509,231)	(736,884)	(665,189)
TOTAL PROPERTY VALUATIONS	$ 83,152,415	$ 27,997,406	$ 19,710,473	$ 18,734,190
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.55	$ 0.33	$ 0.00	$ 0.00
Maintenance	0.20	0.42	0.75	0.75
TOTAL TAX RATES PER $100 VALUATION	$ 0.75	$ 0.75	$ 0.75	$ 0.75
ADJUSTED TAX LEVY*	$ 623,555	$ 209,981	$ 147,829	$ 140,367
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.69 %	100.00 %	98.78 %	100.00 %

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – Maximum tax rate of unlimited amount per $100 of assessed valuation approved by voters on May 13, 2006.

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

	SERIES-2016 ROAD		
Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2020	$ 60,000	$ 90,107	$ 150,107
2021	60,000	88,803	148,803
2022	65,000	87,315	152,315
2023	65,000	85,609	150,609
2024	70,000	83,664	153,664
2025	70,000	81,496	151,496
2026	75,000	78,876	153,876
2027	80,000	75,776	155,776
2028	80,000	72,575	152,575
2029	85,000	69,275	154,275
2030	90,000	65,775	155,775
2031	90,000	62,175	152,175
2032	95,000	58,474	153,474
2033	100,000	54,574	154,574
2034	105,000	50,475	155,475
2035	110,000	46,175	156,175
2036	115,000	41,675	156,675
2037	120,000	36,975	156,975
2038	125,000	31,996	156,996
2039	130,000	26,737	156,737
2040	135,000	21,272	156,272
2041	140,000	15,513	155,513
2042	145,000	9,457	154,457
2043	150,000	3,188	153,188
2044			
2045			
	$ 2,360,000	$ 1,337,957	$ 3,697,957

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

	S E R I E S - 2 0 1 7		
Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2020		$ 84,562	$ 84,562
2021	65,000	83,912	148,912
2022	70,000	82,562	152,562
2023	70,000	81,075	151,075
2024	75,000	79,350	154,350
2025	75,000	77,381	152,381
2026	80,000	75,150	155,150
2027	85,000	72,675	157,675
2028	85,000	70,072	155,072
2029	90,000	67,281	157,281
2030	95,000	64,215	159,215
2031	95,000	60,950	155,950
2032	100,000	57,538	157,538
2033	105,000	53,885	158,885
2034	110,000	49,919	159,919
2035	115,000	45,700	160,700
2036	120,000	41,294	161,294
2037	125,000	36,622	161,622
2038	130,000	31,600	161,600
2039	135,000	26,300	161,300
2040	140,000	20,800	160,800
2041	145,000	15,100	160,100
2042	150,000	9,200	159,200
2043	155,000	3,100	158,100
2044			
2045			
	$ 2,415,000	$ 1,290,243	$ 3,705,243

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

	S E R I E S - 2 0 1 7 R O A D		
Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2020	$	$ 50,982	$ 50,982
2021	40,000	50,582	90,582
2022	40,000	49,732	89,732
2023	45,000	48,775	93,775
2024	45,000	47,706	92,706
2025	45,000	46,553	91,553
2026	50,000	45,212	95,212
2027	50,000	43,712	93,712
2028	55,000	42,103	97,103
2029	55,000	40,247	95,247
2030	60,000	38,163	98,163
2031	60,000	35,988	95,988
2032	65,000	33,722	98,722
2033	65,000	31,366	96,366
2034	65,000	28,969	93,969
2035	70,000	26,438	96,438
2036	75,000	23,719	98,719
2037	75,000	20,906	95,906
2038	80,000	18,000	98,000
2039	80,000	15,000	95,000
2040	85,000	11,906	96,906
2041	90,000	8,625	98,625
2042	90,000	5,250	95,250
2043	95,000	1,781	96,781
2044			
2045			
	$ 1,480,000	$ 765,437	$ 2,245,437

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

	SERIES-2018		
Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2020	$	$ 164,600	$ 164,600
2021	100,000	161,600	261,600
2022	105,000	155,450	260,450
2023	110,000	149,000	259,000
2024	110,000	142,400	252,400
2025	115,000	135,650	250,650
2026	120,000	129,950	249,950
2027	120,000	125,600	245,600
2028	130,000	121,225	251,225
2029	130,000	116,675	246,675
2030	135,000	112,037	247,037
2031	145,000	106,957	251,957
2032	150,000	101,425	251,425
2033	155,000	95,706	250,706
2034	160,000	89,600	249,600
2035	165,000	83,100	248,100
2036	170,000	76,400	246,400
2037	180,000	69,400	249,400
2038	185,000	62,100	247,100
2039	195,000	54,500	249,500
2040	200,000	46,600	246,600
2041	210,000	38,400	248,400
2042	220,000	29,800	249,800
2043	230,000	20,800	250,800
2044	405,000	8,100	413,100
2045			
	$ 3,945,000	$ 2,397,075	$ 6,342,075

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

	S E R I E S - 2 0 1 8 R O A D		
Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2020	$	$ 83,512	$ 83,512
2021	50,000	82,075	132,075
2022	50,000	79,138	129,138
2023	55,000	75,988	130,988
2024	55,000	72,688	127,688
2025	60,000	69,313	129,313
2026	60,000	66,388	126,388
2027	65,000	63,888	128,888
2028	65,000	61,450	126,450
2029	70,000	59,087	129,087
2030	70,000	56,637	126,637
2031	75,000	54,006	129,006
2032	80,000	51,100	131,100
2033	80,000	48,100	128,100
2034	85,000	44,900	129,900
2035	90,000	41,400	131,400
2036	90,000	37,800	127,800
2037	95,000	34,100	129,100
2038	100,000	30,200	130,200
2039	105,000	26,100	131,100
2040	110,000	21,800	131,800
2041	115,000	17,300	132,300
2042	120,000	12,600	132,600
2043	125,000	7,700	132,700
2044	130,000	2,600	132,600
2045			
	$ 2,000,000	$ 1,199,870	$ 3,199,870

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

	S E R I E S - 2 0 1 9 R O A D		
Due During Fiscal Years Ending August 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2020	$	$ 59,678	$ 59,678
2021		86,981	86,981
2022	80,000	85,381	165,381
2023	80,000	82,181	162,181
2024	85,000	78,881	163,881
2025	95,000	75,281	170,281
2026	95,000	71,956	166,956
2027	95,000	69,106	164,106
2028	100,000	66,181	166,181
2029	100,000	63,181	163,181
2030	100,000	60,181	160,181
2031	105,000	57,106	162,106
2032	105,000	53,956	158,956
2033	110,000	50,731	160,731
2034	115,000	47,356	162,356
2035	115,000	43,906	158,906
2036	120,000	40,382	160,382
2037	120,000	36,782	156,782
2038	125,000	33,107	158,107
2039	130,000	29,282	159,282
2040	135,000	25,307	160,307
2041	135,000	21,172	156,172
2042	145,000	16,797	161,797
2043	150,000	12,188	162,188
2044	155,000	7,422	162,422
2045	160,000	2,500	162,500
	$ 2,755,000	$ 1,276,982	$ 4,031,982

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

	ANNUAL REQUIREMENTS FOR ALL SERIES		
Due During Fiscal Years Ending August 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2020	$ 60,000	$ 533,441	$ 593,441
2021	315,000	553,953	868,953
2022	410,000	539,578	949,578
2023	425,000	522,628	947,628
2024	440,000	504,689	944,689
2025	460,000	485,674	945,674
2026	480,000	467,532	947,532
2027	495,000	450,757	945,757
2028	515,000	433,606	948,606
2029	530,000	415,746	945,746
2030	550,000	397,008	947,008
2031	570,000	377,182	947,182
2032	595,000	356,215	951,215
2033	615,000	334,362	949,362
2034	640,000	311,219	951,219
2035	665,000	286,719	951,719
2036	690,000	261,270	951,270
2037	715,000	234,785	949,785
2038	745,000	207,003	952,003
2039	775,000	177,919	952,919
2040	805,000	147,685	952,685
2041	835,000	116,110	951,110
2042	870,000	83,104	953,104
2043	905,000	48,757	953,757
2044	690,000	18,122	708,122
2045	160,000	2,500	162,500
	$ 14,955,000	$ 8,267,564	$ 23,222,564

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED AUGUST 31, 2019

Description	Original Bonds Issued	Bonds Outstanding September 1, 2018
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2016	$ 2,360,000	$ 2,360,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Utility Bonds - Series 2017	2,415,000	2,415,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2017	1,480,000	1,480,000
Rockwall County Municipal Utility No. 6 Unlimited Tax Utility Bonds - Series 2018	3,945,000	
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2018	2,000,000	
Rockwall County Municipal Utility No. 6 Unlimited Tax Road Bonds - Series 2019	2,755,000	
TOTAL	$ 14,955,000	$ 6,255,000

Bond Authority:	Water, Sewer and Drainage Bonds	Refunding Bonds*
Amount Authorized by Voters	$ 27,180,000	$ 68,185,000
Amount Issued	6,360,000	
Remaining to be Issued	$ 20,820,000	$ 68,185,000

Debt Service Fund cash, investments and cash with paying agent balances as of August 31, 2019:	$ 763,833
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 893,176

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding August 31, 2019	Paying Agent
$	$	$ 90,737	$ 2,360,000	Regions Bank Houston, TX
		84,562	2,415,000	Regions Bank Houston, TX
		50,982	1,480,000	Regions Bank Houston, TX
3,945,000		46,180	3,945,000	Regions Bank Houston, TX
2,000,000		23,430	2,000,000	Regions Bank Houston, TX
2,755,000			2,755,000	Regions Bank Houston, TX
$ 8,700,000	$ - 0 -	$ 295,891	$ 14,955,000	

Road Bonds
$ 25,270,000
8,595,000
$ 16,675,000

See accompanying independent auditor's report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2019	2018	2017
REVENUES			
Property Taxes	$ 174,794	$ 148,790	$ 152,760
Penalty and Interest		469	33
Investment Revenues	5,183	1,275	689
TOTAL REVENUES	$ 179,977	$ 150,534	$ 153,482
EXPENDITURES			
Professional Fees	$ 83,855	$ 109,822	$ 79,427
Contracted Services	19,441	12,324	7,350
Other	17,377	25,454	16,712
TOTAL EXPENDITURES	$ 120,673	$ 147,600	$ 103,489
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 59,304	$ 2,934	$ 49,993
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	$ 500	$ - 0 -	$ - 0 -
NET CHANGE IN FUND BALANCE	$ 59,804	$ 2,934	$ 49,993
BEGINNING FUND BALANCE	170,850	167,916	117,923
ENDING FUND BALANCE	$ 230,654	$ 170,850	$ 167,916

* First audit was for the fiscal year ended August 31, 2016

See accompanying independent auditor’s report.

		Percentage of Total Revenues				
2016*	2015	2019	2018	2017	2016*	2015
$ 140,367	$	97.0 %	98.8 %	99.5 %	96.6 %	
4,572			0.3		3.2	
195		3.0	0.9	0.5	0.2	
$ 145,134	$ - 0 -	100.0 %	100.0 %	100.0 %	100.0 %	
$ 48,981	$	46.6 %	73.0 %	51.8 %	33.7 %	
3,318		10.8	8.2	4.8	2.3	
12,155		9.7	16.9	10.9	8.4	
$ 64,454	$ - 0 -	67.1 %	98.1 %	67.5 %	44.4 %	
$ 80,680	$ - 0 -	32.9 %	1.9 %	32.5 %	55.6 %	
$ - 0 -	$ - 0 -					
$ 80,680	$ - 0 -					
37,243						
$ 117,923	N/A					

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2019	2018	2017
REVENUES			
Property Taxes	$ 462,953	$ 92,279	$
Penalty and Interest	319		
Investment Revenues	9,757	169	58
TOTAL REVENUES	$ 473,029	$ 92,448	$ 58
EXPENDITURES			
Tax Collection Expenditures	$ 4,740	$	$
Debt Service Interest and Fees	298,310	134,842	25,205
TOTAL EXPENDITURES	$ 303,050	$ 134,842	$ 25,205
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 169,979	$ (42,394)	$ (25,147)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	$ 294,550	$ 177,825	$ 181,475
NET CHANGE IN FUND BALANCE	$ 464,529	$ 135,431	$ 156,328
BEGINNING FUND BALANCE	291,759	156,328	
ENDING FUND BALANCE	$ 756,288	$ 291,759	$ 156,328
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	N/A	N/A	N/A

* First audit was for the fiscal year ended August 31, 2016

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2016*	2015	2019	2018	2017	2016*	2015
$	$	97.8 %	99.8 %	%	%	%
		0.1				
		2.1	0.2	100.0		
$ - 0 -	$ - 0 -	100.0 %	100.0 %	100.0 %	%	%
$	$	1.0 %	%	%	%	%
		63.1	145.9	43,456.9		
$ - 0 -	$ - 0 -	64.1 %	145.9 %	43,456.9 %	%	%
$ - 0 -	$ - 0 -	35.9 %	(45.9) %	(43,356.9) %	N/A %	N/A %
$ - 0 -	$ - 0 -					
$ - 0 -	$ - 0 -					
$ - 0 -	$ - 0 -					
N/A	N/A					
N/A	N/A					

See accompanying independent auditor’s report.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2019

District Mailing Address	-	Rockwall County Municipal Utility District No. 6 c/o Winstead PC 2728 N. Harwood Street, Suite 500 Dallas, TX 75201
District Telephone Number	-	(214) 745-5400

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended August 31, 2019	Expense Reimbursements for the year ended August 31, 2019	Title
Jill Thrasher	05/2016 05/2020 (Elected)	$ 1,200	$ 354	President
Nancy Jones	05/2018 05/2022 (Elected)	$ 1,650	$ 62	Vice President
Chris Smith	05/2016 05/2020 (Elected)	$ 1,500	$ 453	Secretary
Sherry Kent Skinner	05/2018 05/2022 (Elected)	$ 1,650	$ 300	Assistant Secretary
Bobbie Hubbard	08/2018 05/2022 (Appointed	$ 1,800	$ 176	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: February 6, 2019.

The limit on Fees of Office that a Director may receive during a fiscal year is $3,500 as set by Board Resolution on October 18, 2005. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2019

Consultants:	Date Hired	Fees / Compensation for the year ended August 31, 2019	Title
Winstead PC	09/22/15	$ 52,357	General Counsel
		$ 229,200	Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	09/27/16	$ 12,250	Auditor
		$ 32,350	Other Services
Dye & Tovery, LLC	05/28/19	$ 18,602	Bookkeeper
Jacobs Engineering, Inc.	02/20/18	$ 5,931	Prior Engineer
LJA Engineering, Inc.	01/22/19	$ 14,087	Engineer
Rockwall County Central Appraisal District	08/25/15	$ 5,508	Tax Assessor/ Collector
Robert W. Baird & Co.	01/27/15	$ 185,537	Financial Advisor
Kathi Dye	02/26/08	$ -0-	Investment Officer

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

ASSURED GUARANTY MUNICIPAL

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

Form 500NY (5/90)