OFFICIAL STATEMENT DATED JULY 7, 2021

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

The District will **NOT** designate the Bonds as Qualified Tax-Exempt Obligations.

Rating:
S&P: "AA" (Stable Outlook)/Insured
Moody's: "A2" (Stable Outlook)/Insured
Moody's: "Baa3"/Uninsured
Insurance: AGM

NEW ISSUE – Book-Entry-Only

$6,535,000
WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 19A
(A Political Subdivision of the State of Texas Located in Williamson County, Texas)
UNLIMITED TAX BONDS, SERIES 2021

Dated: July 29, 2021 **Due: August 15, as shown on the inside cover page**
Interest to accrue from the Date of Initial Delivery (as defined below)

PAYMENT TERMS . . . Interest on the Bonds will accrue from the Date of Initial Delivery, will be payable February 15, 2022 and each August 15 and February 15 thereafter until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent/registrar for the Bonds is BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). The Bonds are obligations solely of the District and are not obligations of the City of Liberty Hill, Texas; Liberty Hill Independent School District, Williamson County, Texas; the State of Texas; or any entity other than the District.

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 and Security for Payment." THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. See "INVESTMENT CONSIDERATIONS" herein.

ASSURED GUARANTY MUNICIPAL

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. See "BOND INSURANCE" herein.

CUSIP PREFIX: 97001P
MATURITY SCHEDULE
See inside cover page

REDEMPTION PROVISIONS . . . The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those Bonds maturing on and after August 15, 2027 in whole or from time to time in part, on August 15, 2026, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS – Redemption." Additionally, Term Bonds maturing on August 15 in the years 2037, 2039, 2041, 2045 and 2050 are subject to mandatory sinking fund redemption. See "THE BONDS – Mandatory Sinking Fund Redemption."

LEGALITY . . . The Bonds are offered by the Initial Purchaser subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things to the approval of the Initial Bond by the Attorney General of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel.

DELIVERY . . . Delivery of the Bonds is expected through the facilities of DTC on July 29, 2021 (the "Date of Initial Delivery").

MATURITY SCHEDULE

8/15 Maturity	Principal Amount	Interest Rate[(a)]	Initial Yield[(b)]		CUSIP Numbers[(c)]
2023	$ 130,000	4.500%	0.450%		97001PFY0
2024	135,000	4.500%	0.600%		97001PFZ7
2025	140,000	4.500%	0.750%		97001PGA1
2026	145,000	4.500%	0.900%		97001PGB9
2027	150,000	2.000%	1.000%	(d)	97001PGC7
2028	155,000	2.000%	1.150%	(d)	97001PGD5
2029	160,000	2.000%	1.300%	(d)	97001PGE3
2030	165,000	1.500%	1.650%		97001PGF0
2031	170,000	2.000%	1.600%	(d)	97001PGG8
2032	180,000	2.000%	1.700%	(d)	97001PGH6
2033	185,000	2.000%	1.800%	(d)	97001PGJ2
2034	190,000	2.000%	1.900%	(d)	97001PGK9
2035	200,000	2.000%	2.000%		97001PGL7
***	***	***	***		***
2051	360,000	2.375%	2.460%		97001PHC6

$420,000 2.000%[(a)] Term Bonds due August 15, 2037 Priced to Yield 2.100%[(b)] – 97001PGN3[(c)]
$450,000 2.000%[(a)] Term Bonds due August 15, 2039 Priced to Yield 2.200%[(b)] – 97001PGQ6[(c)]
$490,000 2.125%[(a)] Term Bonds due August 15, 2041 Priced to Yield 2.300%[(b)] – 97001PGS2[(c)]
$1,100,000 2.250%[(a)] Term Bonds due August 15, 2045 Priced to Yield 2.400%[(b)] – 97001PGW3[(c)]
$1,610,000 2.300%[(a)] Term Bonds due August 15, 2050 Priced to Yield 2.450%[(b)] – 97001PHB8[(c)]

(Interest accrues from the Date of Initial Delivery)

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(a) After requesting competitive bids for purchase of the Bonds, the District has accepted the lowest bid to purchase the Bonds, bearing interest as shown, at a price of approximately 97.056% of par, resulting in a net effective interest rate to the District of 2.395635%.
(b) The initial reoffering yields indicated represent the lower of the yields resulting when priced to maturity or the first redemption date. The initial yields at which the Bonds will be priced will be established by and will be the sole responsibility of the Initial Purchaser (as herein defined). The yields may be changed at any time at the discretion of the Initial Purchaser.
(c) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Initial Purchaser, the District, or the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part, as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.
(d) Yield calculated based on the assumption that the Bonds denoted and sold at a premium will be redeemed on August 15, 2026, the first optional redemption date for such Bonds, at a redemption price of par, plus accrued interest to the redemption date.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and "APPENDIX C – Specimen Municipal Bond Insurance Policy."

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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 alone 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 the Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the Financial Advisor, for further information.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions, or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this "Official Statement" nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or the 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, to the extent that information actually comes to its attention, until delivery of the Bonds to the Initial Purchaser and thereafter only as specified in "OFFICIAL STATEMENT – Updating the Official Statement During Underwriting Period."

NEITHER THE DISTRICT NOR THE FINANCIAL ADVISOR MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM.

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

TABLE OF CONTENTS

The cover page hereof, this page, the schedule and appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

SALE AND DISTRIBUTION OF THE BONDS

AWARD OF THE BONDS . . . After requesting competitive bids for the Bonds, the District has accepted the bid of SAMCO Capital Markets (the "Initial Purchaser") to purchase the Bonds at the interest rates shown on the inside cover page of this Official Statement at a price of approximately 97.056% of par. No assurance can be given that any trading market will be developed for the Bonds after their sale by the District to the Initial Purchaser. The District has no control over the price at which the Bonds are subsequently sold, and the initial yields at which the Bonds are priced and reoffered are established by and are the sole responsibility of the Initial Purchaser.

PRICES AND MARKETABILITY . . . The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

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

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of utility district bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market. Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak (COVID-19)." Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

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

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

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

MUNICIPAL BOND RATING AND INSURANCE

The Bonds have been rated "AA" (stable outlook) by S&P Global Ratings ("S&P") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's") by virtue of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds. The Bonds and the outstanding debt of the District are also rated "Baa3" by Moody's without regard to credit enhancement (see "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS").

OFFICIAL STATEMENT SUMMARY

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

THE DISTRICT

THE DISTRICT.. Williamson County Municipal Utility District No. 19A (the "District") is a district created by the division of Williamson County Municipal Utility District No. 19 ("MUD 19") pursuant to an order adopted by the Board of Directors of MUD 19 on February 15, 2011. MUD 19 was created by a special act of the 79th Legislature of the State of Texas, Regular Session, Acts 2005, 79th Leg., Ch. 1328, now codified as Chapter 8134 of the Texas Special District Local Laws Code (the "Act"). Section 8134.103 of the Act provided MUD 19 the authority to divide without an election upon the consent of all land owners within MUD 19. The District is a conservation and reclamation district created under and essential to accomplish the purposes of Article XVI, Section 59 of the Texas Constitution and operates pursuant to the Act and Chapters 49 and 54 of the Texas Water Code. At the time of creation, the District consisted of 1,480.71 acres. The District has the power to divide pursuant to the Act and, on July 24, 2013, the Board of Directors of the District adopted an order dividing the District into the District and Williamson County Municipal Utility District No. 19B ("MUD 19B"). After such division, the District consisted of 331.76 acres. In January 2017, the District annexed 1.5 acres. In May 2018, the District annexed 106.84 acres. On April 1, 2020, the District annexed 28.078 acres and now consists of approximately 468.131 acres. In addition to the District's purposes of providing water, wastewater and drainage facilities and services, the District acquired road powers pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ") dated July 24, 2014. See "THE DISTRICT – General."

LOCATION... The District, which encompasses approximately 468.131 acres of land, is located approximately five miles southeast of the central business district of the City of Liberty Hill ("Liberty Hill") and one and one-half miles north of the intersection of Ronald Reagan Boulevard and State Highway 29 in western Williamson County. Access to the District is provided by Ronald Reagan Boulevard to Elizabeth Park Boulevard. The District is located entirely within the extraterritorial jurisdiction of Liberty Hill. See "THE DISTRICT – Location."

THE DEVELOPER .... The developer currently active within the District is Santa Rita KC, LLC (the "Developer"), a Texas limited liability company which is a wholly owned subsidiary of Mariner Residential Recovery Fund A, LLC, a Delaware limited liability company ("Mariner"). The Developer's manager is MREM Texas Manager, LLC, a Delaware limited liability company. The land within the District planned for commercial development is owned by Santa Rita Commercial, LLC, and Santa Rita Investments, LLC, both Texas limited liability companies affiliated with the Developer and owned by Mariner. See "THE DEVELOPER – Description of Developer" and "THE DISTRICT – Current Status of Development."

DEVELOPMENT WITHIN THE DISTRICT........... As of May 1, 2021, out of the 468.131 acres located within the District, approximately 329.52 acres have been developed with utility facilities (including a 3.92 acre amenity center site). As of May 1, 2021, the District contains approximately 58.55 acres that are developable but currently undeveloped, including 40.29 acres planned for single family development and 18.26 acres planned for commercial development. Water, wastewater and drainage facilities for Sections 14 (28.70 acres with 42 lots) and 22 (28.33 acres with 58 lots) are currently under construction. The District contains approximately 23.031 acres of undevelopable acreage, including 14.54 acres planned for a school site, and 8.491 acres planned for open space/park and drainage. As of May 1, 2021, the following sections have been developed with utility facilities: Section 1A (10.86 acres, platted as 8 single family lots and 1 amenity center lot); Section 1B (10.92 acres, platted as 28 single family lots); Section 1C (9.97 acres, platted as 33 single family lots); Section 1D (2.06 acres, platted as 5 single family lots);

Section 1E (3.70 acres, platted as 9 single family lots); Section 2A (5.61 acres, platted as 25 single family lots); Section 2B (12.48 acres, platted as 35 single family lots); Section 3A (8.41 acres, platted as 31 single family lots); Section 3B (12.44 acres, platted as 28 single family lots); Section 4 (12.49 acres, platted as 42 single family lots); Section 6A (7.33 acres, platted as 38 single family lots); Section 6B (16.55 acres, platted as 41 single family lots); Section 6C (2.60 acres, platted as 0 single family lots); Section 8 (21.86 acres, platted as 68 single family lots); Section 9 (16.49 acres, platted as 54 single family lots); Section 11 (21.0 acres, platted as 64 single family lots); Section 12 (11.20 acres, platted as 20 single family lots); Section 13 (12.57 acres, platted as 23 single family lots); Section 15 (6.76 acres, platted as 38 single family lots); Section 16 (34.23 acres, platted as 71 single family lots); Section 18 (21.16 acres, platted as 60 single family lots); Section 19 (15.59 acres, platted as 49 single family lots); Section 20A (15.95 acres, platted as 33 single family lots); Section 20B (5.07 acres, platted as 21 single family lots); Section 20C (11.60 acres, platted as 58 single family lots); and Section 21 (20.62 acres, platted as 49 single family lots). As of May 1, 2021, the development in the District consisted of 799 developed single family lots, 630 completed homes, 169 homes under construction, and 208 vacant single family lots. See "THE DISTRICT – Current Status of Development."

HOMEBUILDERS... According to the Developer, there are currently six homebuilders active within the District: Empire Communities; Scott Felder Homes, LP; Highland Homes; Perry Homes; Sitterle Homes; and Lennar Homes. The homes range in price from approximately $350,000 to $1,200,000, with square footage ranging from approximately 1,700 to 5,000. See "THE DEVELOPER – Homebuilders within the District."

THE BONDS

DESCRIPTION... The Bonds in the aggregate principal amount of $6,535,000 will mature as serial Bonds in varying amounts on August 15 of each year from 2023 through 2035 and 2051 and as Term Bonds maturing on August 15 in the years 2037, 2039, 2041, 2045 and 2050 as set forth on the inside cover page hereof. Interest accrues from the Date of Initial Delivery of the Bonds and is payable February 15, 2022 and each August 15 and February 15 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 for any one maturity. See "THE BONDS – General Description."

REDEMPTION.. The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those Bonds maturing on and after August 15, 2027, in whole or from time to time in part, on August 15, 2026, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS – Redemption." Additionally, Term Bonds maturing on August 15 in the years 2037, 2039, 2041, 2045 and 2050 are subject to mandatory sinking fund redemption. See "THE BONDS – Mandatory Sinking Fund Redemption."

SOURCE OF PAYMENT...................................... Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied upon all taxable property within the District, which under Texas law is not legally limited as to rate or amount. See "TAXING PROCEDURES." **The Bonds are obligations solely of the District and are not obligations of the City of Liberty Hill; Liberty Hill Independent School District; Williamson County, Texas; the State of Texas; or any entity other than the District.** See "THE BONDS – Source of and Security for Payment."

PAYMENT RECORD.. The Bonds constitute the sixth installment of bonds issued by the District. The District has never defaulted on the timely payment of principal or interest on its outstanding bonds. See "FINANCIAL STATEMENT – Outstanding Bonds."

AUTHORITY FOR ISSUANCE............................. The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including the Act, Chapters 49 and 54 of the Texas Water Code, as amended; a bond election held within the District on November 5, 2013; the approving order of the TCEQ; and an order adopted by the Board of Directors of the District on the date of the sale of the Bonds. See "THE BONDS – Authority for Issuance."

USE OF PROCEEDS .... The proceeds of the Bonds will be used to finance: (i) water, wastewater and drainage facilities serving Santa Rita Ranch Phase 1 Sections 6B, 11, 20A-C and 21, and (ii) engineering and inspection fees. The remaining Bond proceeds will be used to: (i) pay operating costs; (ii) pay developer interest; and (iii) pay other costs associated with the issuance of the Bonds.

The estimated use and distribution of Bond proceeds is set forth under the heading "USE AND DISTRIBUTION OF BOND PROCEEDS." Of the proceeds to be received from the sale of the Bonds, $5,026,915 is estimated to be required for construction costs, and $1,508,085 is estimated to be required for non-construction costs. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

BONDS AUTHORIZED BUT UNISSUED................ At an election held within the District on November 5, 2013, the voters within the District approved the issuance of $93,000,000 in bonds for water, wastewater and drainage facilities ("utility bonds"). After the sale of the Bonds, the District will have $65,775,000 remaining in authorized but unissued utility bonds. The District currently anticipates issuing approximately $11,115,000 in unlimited tax bonds in late 2021 to further reimburse the Developer for certain water, wastewater and drainage facilities. The District voters, at the election held within the District on November 5, 2013, also authorized the issuance of $15,500,000 in bonds for the acquisition and construction of parks and recreational facilities and $162,750,000 in refunding bonds, all of which remain authorized but unissued. At an election held on November 4, 2014, the District's voters authorized the issuance of $7,000,000 in bonds for road improvements, all of which remain authorized but unissued. See "FINANCIAL STATEMENT – Outstanding Bonds" and "THE BONDS – Issuance of Additional Debt."

MUNICIPAL BOND RATING AND INSURANCE .... The Bonds have been rated "AA" (stable outlook) by S&P Global Ratings ("S&P") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's") by virtue of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds. The Bonds and the outstanding debt of the District are also rated "Baa3" by Moody's without regard to credit enhancement. See "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS."

BOND COUNSEL AND DISCLOSURE COUNSEL ... McCall, Parkhurst & Horton L.L.P., Austin, Texas

GENERAL COUNSEL.. Armbrust & Brown, PLLC, Austin, Texas

FINANCIAL ADVISOR .... Specialized Public Finance Inc., Austin, Texas

ENGINEER... Carlson, Brigance & Doering, Inc., Austin, Texas

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION
(Unaudited as of June 2, 2021)

2017 Certified Taxable Assessed Valuation	$	46,423,367	(a)
2018 Certified Taxable Assessed Valuation	$	71,151,553	(a)
2019 Certified Taxable Assessed Valuation	$	109,243,281	(a)
2020 Certified Taxable Assessed Valuation	$	159,212,530	(a)
Preliminary Taxable Assessed Valuation (as of May 11, 2021)	$	241,904,280	(b)
Gross Debt Outstanding of the District (after issuance of the Bonds)	$	27,080,000	(c)
Ratio of Gross Debt to 2020 Certified Taxable Assessed Valuation		17.01%	
Ratio of Gross Debt to Preliminary Taxable Assessed Valuation (as of May 11, 2021)		11.19%	
2020 Tax Rate:			
Debt Service	$	0.6501	
Maintenance		0.1999	
Total 2020 Tax Rate	$	0.8500	(d)
Operating Fund Balance (as of June 2, 2021)	$	832,461	(e)
Debt Service Fund Balance (as of June 2, 2021)	$	1,901,490	(e)
Capital Projects Fund Balance (as of June 2, 2021)	$	679,409	(e)
Average Annual Debt Service Requirement of the Bonds and Outstanding Bonds ("Average Requirement") (2021-2051)	$	1,340,606	(c)
Tax Rate required to pay Average Requirement based upon 2020 Certified Taxable Assessed Valuation at 95% collections	$	0.8864/$100 AV	
Maximum Annual Debt Service Requirement of the Bonds and Outstanding Bonds ("Maximum Requirement") (2046)	$	1,578,705	(c)
Tax Rate required to pay Maximum Requirement based upon 2020 Certified Taxable Assessed Valuation at 95% collections	$	1.0438/$100 AV	

Number of homes and lots as of May 1, 2021:

Completed Homes	630
Homes Under Construction	169
Vacant Lots	208
Estimated Population as of May 1, 2021	2,205[(f)]

____

(a) Certified Taxable Assessed Valuation of the District as estimated by the Williamson Central Appraisal District ("WCAD"). See "TAXING PROCEDURES."

(b) Preliminary Taxable Assessed Valuation as provided by WCAD is shown for purposes of illustration only. As of May 11, 2021. Taxes are levied based on value as certified by WCAD as of January 1 of each year. Consequently, this estimate will not be used to produce tax revenues for the District.

(c) Includes the Bonds.

(d) See "TAXING PROCEDURES."

(e) Unaudited as of June 2, 2021. Neither Texas law nor the Bond Order requires that the District maintain any particular balance in the District's Debt Service Fund. Approximately $659,280 of the capital projects fund has been approved by the TCEQ for use, together with proceeds of the Bonds, to purchase certain water, wastewater and drainage facilities from the Developer. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

(f) Based upon 3.5 residents per completed single family home.

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OFFICIAL STATEMENT
relating to
$6,535,000
WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 19A
(A Political Subdivision of the State of Texas Located in Williamson County, Texas)
UNLIMITED TAX BONDS, SERIES 2021

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Williamson County Municipal Utility District No. 19A (the "District"), a political subdivision of the State of Texas (the "State"), of its $6,535,000 Unlimited Tax Bonds, Series 2021 (the "Bonds").

The Bonds are issued pursuant to an order adopted by the Board of Directors of the District on the date of the sale of the Bonds (the "Bond Order"), pursuant to Article XVI, Section 59 of the Constitution and the general laws of the State, including a special act of the 79th Legislature of the State of Texas, Regular Session, Acts 2005, 79th Leg., Ch. 1328, now codified as Chapter 8134 of the Texas Special District Local Laws Code (the "Act"), Chapters 49 and 54 of the Texas Water Code, as amended; a bond election held within the District on November 5, 2013; and the approving order of the Texas Commission on Environmental Quality (the "TCEQ" or the "Commission").

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. Copies of such documents may be obtained from the District c/o Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas, 78701 or from the District's Financial Advisor, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas, 78746, upon payment of reasonable copying, mailing and handling charges.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of this Official Statement will be submitted to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District undertaking to provide certain information on a continuing basis.

THE BONDS

GENERAL DESCRIPTION . . . The Bonds will bear interest from the Date of Initial Delivery and will mature on August 15 of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on the inside cover page hereof. Interest on the Bonds will accrue from the Date of Initial Delivery, will be paid on February 15, 2022 and each August 15 and February 15 thereafter until maturity or earlier redemption and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent for the Bonds is BOKF, NA, Dallas, Texas (the "Paying Agent" or "Paying Agent/Registrar").

REDEMPTION . . . The Bonds maturing on and after August 15, 2027 are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on August 15, 2026, or on any date thereafter, in integral multiples of $5,000, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption.

MANDATORY SINKING FUND REDEMPTION . . . The Bonds maturing on August 15 in the years 2037, 2039, 2041, 2045 and 2050 (the "Term Bonds") are subject to mandatory sinking fund redemption prior to their stated maturity in the following amounts, on the following dates and at a price of par to the date of redemption:

Term Bond Due August 15, 2037		Term Bond Due August 15, 2039	
Redemption Date	Principal Amount	Redemption Date	Principal Amount
August 15, 2036	$ 205,000	August 15, 2038	$ 220,000
August 15, 2037*	215,000	August 15, 2039*	230,000

*Stated Maturity.

Term Bond Due August 15, 2041	
Redemption Date	Principal Amount
August 15, 2040	$ 240,000
August 15, 2041*	250,000

Term Bond Due August 15, 2045	
Redemption Date	Principal Amount
August 15, 2042	$ 260,000
August 15, 2043	270,000
August 15, 2044	280,000
August 15, 2045*	290,000

Term Bond Due August 15, 2050	
Redemption Date	Principal Amount
August 15, 2046	$ 300,000
August 15, 2047	310,000
August 15, 2048	320,000
August 15, 2049	335,000
August 15, 2050*	345,000

*Stated Maturity.

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

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

The Bonds of a denomination larger than $5,000 may be redeemed in part ($5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered. In the event of redemption of less than all of the Bonds, the particular Bonds to be redeemed shall be selected by the District, if less than all of the Bonds of a particular maturity are to be redeemed; the Paying Agent is required to select the Bonds of such maturity, or sinking fund installment in the case of any Term Bonds, to be redeemed by lot or other customary random method.

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

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

DTC REDEMPTION PROVISION . . . The Paying Agent/Registrar and the District, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Bond Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant, as herein defined, or of any Direct Participant or Indirect Participant, as herein defined, to notify the beneficial owner, shall not affect the validity of the redemption of Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC.

In such event, DTC may implement, through its book-entry-only system, a redemption of such Bonds held for the account of DTC Participants in accordance with its rules or other agreements with DTC Participants and then Direct Participants and Indirect Participants may implement a redemption of such Bonds and such redemption will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to the DTC Participants. Indirect Participants or the persons for whom DTC Participants act as nominees with respect to the payments on the Bonds or the providing of notice to Direct Participants, Indirect Participants, or beneficial owners of the selection of portions of the Bonds for redemption.

TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . The District is initially utilizing the book-entry-only system of DTC ("Book-Entry-Only-System"). See "BOOK-ENTRY-ONLY SYSTEM." In the event that the Book-Entry-Only System is discontinued by DTC or the District, the following provisions will be applicable to the Bonds.

Payment . . . Principal of the Bonds will be payable at maturity to the registered owners as shown by the registration books maintained by the Paying Agent upon presentation and surrender of the Bonds to the Paying Agent at the designated office for payment of the Paying Agent in Austin, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds will be payable by check or draft, dated as of the applicable interest payment date, sent by the Paying Agent by United States mail, first-class, postage prepaid, to the registered owners at their respective addresses shown on such records, or by such other method acceptable to the Paying Agent requested by registered owner at the risk and expense of the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

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

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

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

AUTHORITY FOR ISSUANCE . . . At an election held within the District on November 5, 2013, voters within the District authorized the issuance of a total of $93,000,000 in unlimited tax bonds for water, wastewater and drainage facilities. The Bonds constitute the sixth installment of bonds issued by the District. After the sale of the Bonds, $65,775,000 principal amount of District bonds will remain authorized but unissued for water, wastewater and drainage facilities. The District currently anticipates issuing approximately $11,115,000 in unlimited tax bonds in late 2021 to further reimburse the Developer for certain water, wastewater and drainage facilities. The District's voters, at the election held within the District on November 5, 2013, also authorized the issuance of $15,500,000 in bonds for the acquisition and construction of parks and recreational facilities and $162,750,000 in refunding bonds, all of which remain authorized but unissued. At an election held on November 4, 2014, the District's voters authorized the issuance of $7,000,000 for road improvements, all of which remain authorized but unissued. The Bonds are issued pursuant to the terms and provisions of the Bond Order, the Act, Chapters 49 and 54 of the Texas Water Code, as amended, and

Article XVI, Section 59 of the Texas Constitution. The issuance of the Bonds has been approved by an order of the TCEQ dated April 27, 2021.

SOURCE OF AND SECURITY FOR PAYMENT . . . The Bonds will be payable from and secured by a pledge of the proceeds of a continuing direct annual ad valorem tax without legal limitation as to rate or amount levied against all taxable property located within the District. The Board covenants in the Bond Order that, while any of the Bonds are outstanding and the District is in existence, it will levy an annual ad valorem tax and will undertake to collect such a tax against all taxable property within the District at a rate from year to year sufficient, full allowance being made for anticipated delinquencies, together with revenues and receipts from other sources which are legally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due any other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax. The net proceeds from taxes levied to pay debt service on the Bonds are required to be placed in a special account of the District designated its "Debt Service Fund" for the Bonds and the District's other outstanding bonds. The Bond Order provides for the termination of the pledge of taxes when and if the City of Liberty Hill ("Liberty Hill") annexes and dissolves the District and assumes all debts and liabilities of the District.

The District is located entirely within the extraterritorial jurisdiction of Liberty Hill. Under prior Texas law, a municipality could annex and dissolve a municipal utility district located within its extraterritorial jurisdiction without consent of the district or its residents. However, under Chapter 43 of the Texas Local Government Code, as amended, (a) a municipality may annex a district with a population of less than 200 residents only if: (i) the municipality obtains consent to annex the area through a petition signed by more than 50% of the registered voters of the district, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation; and (b) a municipality may annex a district with a population of 200 residents or more only if: (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation. Notwithstanding the foregoing, a municipality may annex an area if each owner of land in the area requests the annexation. As of May 1, 2021, the District had an estimated population of 2,205, thus triggering the voter approval and/or landowner consent requirements discussed in clause (b) above.

If the District is annexed, Liberty Hill must assume the assets, functions, and obligations of the District (including the Bonds and outstanding bonds) and the pledge of taxes will terminate. No representation is made concerning the likelihood of annexation and dissolution of the District or the ability of Liberty Hill to make debt service payments on the Bonds and outstanding bonds should dissolution occur. Additionally, the power of Liberty Hill to annex the District is restricted by the Act and the Consent and Development Agreement. See "THE DISTRICT – Consent Agreement with Liberty Hill."

The Bonds are obligations solely of the District and are not obligations of Liberty Hill; Liberty Hill Independent School District, Williamson County, Texas; the State of Texas; or any political subdivision or entity other than the District.

FLOW OF FUNDS . . . The Bond Order creates or confirms the creation by the District of a Debt Service Fund and a Capital Projects Fund. Each fund shall be kept separate and apart from all other funds of the District. The Debt Service Fund shall constitute a trust fund which shall be held in trust for the benefit of the registered owner of the Bonds. Any cash balance in any fund must be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of municipal utility districts having an aggregate market value, exclusive of accrued interest, at all times equal to the cash balance in the fund to which such securities are pledged.

Debt Service Fund . . . The Bond Order establishes the Debt Service Fund to be used to pay principal and interest on and Paying Agent fees in respect to the Bonds. The Bond Order requires that the District deposit to the credit of the Debt Service Fund (i) from the delivery of the Bonds to the Initial Purchaser, the amount received from proceeds of the Bonds representing accrued interest, if any, and capitalized interest on the Bonds, if any, (ii) District ad valorem taxes (and penalties and interest thereon) levied to pay debt service requirements on (or fees and expenses of the Paying Agent with respect of) the Bonds, and (iii) such other funds as the Board shall, at its option, deem advisable. The Bond Order requires that the Debt Service Fund be applied solely to provide for the payment of the principal or redemption price of and interest on the Bonds and the other outstanding bonds, when due, and to pay fees to Paying Agent when due.

Capital Projects Fund . . . The Capital Projects Fund is the capital improvements fund of the District. The Bond Order requires the District to deposit to the credit of the Capital Projects Fund the balance of the proceeds of the Bonds remaining after the deposits to the Debt Service Fund provided in the Bond Order. The Capital Projects Fund may be applied solely to (i) pay the costs necessary or appropriate to accomplish the purposes for which the Bonds are issued, (ii) pay the costs of issuing the Bonds and (iii) to the extent the proceeds of the Bonds and investment income attributable thereto are in excess of the amounts required to acquire and construct water, wastewater and drainage facilities as approved by TCEQ, then it is in the discretion of the Board of Directors of the District to transfer such unexpended proceeds or income to the Debt Service Fund or to utilize such funds as otherwise authorized by the TCEQ.

PAYING AGENT/REGISTRAR . . . Principal of and semiannual interest on the Bonds will be paid by BOKF, NA having an office for payment in Dallas, Texas, the Paying Agent. The Paying Agent must be either a bank, trust company, financial institution or other entity duly qualified and equally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

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

DEFEASANCE OF OUTSTANDING BONDS . . . *General* . . . The Bond Order provides for the defeasance of the Bonds and the termination of the pledge of taxes and all other general defeasance covenants in the Bond Order under certain circumstances. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding within the meaning of the Bond Order (a "Defeased Bond"), except to the extent provided below for the Paying Agent to continue payments, when the payment of all principal and interest payable with respect to such Bond to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities (defined below) that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the District with the Paying Agent or an eligible trust company or commercial bank for the payment of its services until after all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes levied and pledged, as provided in the Bond Order and such principal and interest shall be payable solely from such money or Defeasance Securities, and shall not be regarded as outstanding under the Bond Order.

Any money so deposited with or made available to the Paying Agent or an eligible trust company or commercial bank also may be invested at the written direction of the District in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be remitted to the District or deposited as directed in writing by the District.

Until all Defeased Bonds shall have become due and payable, the Paying Agent shall perform the services of Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by the Bond Order.

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

Any such obligations must be certified by an independent public accounting firm or verification agent firm of national reputation to be of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to provide all debt service payments on the Bonds.

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

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

Investments . . . Any escrow agreement or other instrument entered into between the District and the Paying Agent or an eligible trust company or commercial bank pursuant to which money and/or Defeasance Securities are held by the Paying Agent or an eligible trust company or commercial bank for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of certain requirements. All income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, will be remitted to the District or deposited as directed in writing by the District.

RECORD DATE . . . The Record Date for any interest payable on any interest payment date means the close of business on the last day of the preceding month (whether or not a business day).

ISSUANCE OF ADDITIONAL DEBT . . . The District may issue bonds or other obligations necessary to provide those improvements and facilities for which the District was created, with the approval of the TCEQ and, in the case of bonds payable from taxes, the District's voters. On November 5, 2013, voters within the District authorized the issuance of unlimited tax bonds in the principal amount of $93,000,000 for the purpose of providing water, wastewater, and drainage facilities to meet the needs of the residents and customers of the District. Following the issuance of the Bonds, $65,775,000 in unlimited tax bonds authorized by the District voters will remain authorized but unissued for water, wastewater and drainage facilities. See "FINANCIAL STATEMENT – Authorized But Unissued Bonds." The District currently anticipates issuing approximately $11,115,000 in unlimited tax bonds in late 2021 to further reimburse the Developer for certain water, wastewater and drainage facilities. The District's voters, at the election held within the District on November 5, 2013, also authorized the issuance of $15,500,000 in bonds for the acquisition and construction of parks and recreational facilities and $162,750,000 in refunding bonds, all of which remain authorized but unissued. At an election held on November 4, 2014, the District's voters authorized the issuance of $7,000,000 in bonds for road improvements, all of which remain authorized but unissued. Neither Texas law nor the Bond Order imposes a limitation on the amount of additional bonds which may be issued by the District. Any additional bonds issued by the District may dilute the security of the Bonds. See "INVESTMENT CONSIDERATIONS."

According to the District's Engineer, the remaining $65,775,000 in aggregate principal amount of bonds authorized but unissued (following the issuance of the Bonds) should be sufficient to reimburse the Developer for the water, wastewater and drainage facilities required for development within the District. In addition, voters may authorize the issuance of additional bonds or other contractual obligations secured by ad valorem taxes. The District also has the right to issue refunding bonds, as well as to issue revenue bonds and notes, without voter approval. The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds is subject to approval of the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Pursuant to Section 49.186 of the Texas Water Code, bonds, notes or other obligations issued by a municipal utility district "shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the State, and all agencies, subdivisions, and instrumentalities of the State, including all counties, cities, towns, villages, school districts and all other kinds and types of districts, public agencies and bodies politic." Additionally, Section 49.186 of the Texas Water Code provides that bonds, notes or other obligations issued by a municipal utility district are eligible and lawful security for all deposits of public funds of the State and all agencies, subdivisions and instrumentalities of the State. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Bonds may have to be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds.

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

SPECIFIC TAX COVENANTS . . . In the Bond Order, the District has covenanted with respect to, among other matters, the use of the proceeds of the Bonds and the manner in which the proceeds of the Bonds are to be invested. The District may omit to comply with any such covenant if it has received a written opinion of a nationally recognized bond counsel to the effect that regulations or rulings hereafter promulgated modify or expand provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that such covenant is ineffective or inapplicable or noncompliance with such covenant will not adversely affect the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code.

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

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

CONSOLIDATION . . . A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its utility systems with the utility system(s) of the district(s) with which it is consolidating. The revenues of the consolidated system may be pledged equally to all first lien bonds of the consolidating districts. No representation is made that the District will consolidate its utility system with that of any other district.

ANNEXATION . . . The District lies within the extraterritorial jurisdiction of Liberty Hill. Under Texas law, a municipality generally cannot annex territory within a district unless it annexes the entire district. Under prior Texas law, a municipality could annex and dissolve a municipal utility district located within its extraterritorial jurisdiction without the consent of the district or its residents; however, under Chapter 43, Texas Local Government Code, as amended, a municipality may not annex a district such as the District unless: (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation. At such time as it is legally permissible, and Liberty Hill does annex the entire District, Liberty Hill will assume the District's assets and obligations (including the debt service on the Bonds) and dissolve the District. Annexation of territory by Liberty Hill is a policy-making matter within the discretion of the Mayor and City Council of Liberty Hill and therefore, the District makes no representation that Liberty Hill will ever annex the District and assume its debt.

Additionally, the power of Liberty Hill to annex the District is restricted by the Act and the Consent and Development Agreement between Liberty Hill, Braun Family Limited Partnership, Roselle M. Braun and MUD 19, as amended. Although under prior Texas law, a municipality could annex and dissolve a municipality utility district located within its extraterritorial jurisdiction without the consent of the district or its residents, annexation requirements have changed. See "THE BONDS – Source of and Security for Payment."

ALTERATION OF BOUNDARIES . . . In certain circumstances under Texas law, the District may alter its boundaries to: (i) upon satisfying certain conditions, annex additional territory; and (ii) exclude land subject to taxation within the District that does not need to utilize the service of District facilities if certain conditions are satisfied, including the District's simultaneously annexing land of at least equal value that may be practicably served by District facilities. No representation is made concerning the likelihood that the District will effect any change in its boundaries.

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

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

BOND INSURANCE

BOND INSURANCE POLICY . . . Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

ASSURED GUARANTY MUNICIPAL CORP. . . . AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings: On July 8, 2021, 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 October 29, 2020, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

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

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Capitalization of AGM: At March 31, 2021:

- The policyholders' surplus of AGM was approximately $2,805 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $959 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

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

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

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

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

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021); and

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

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

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

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

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 mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the 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 AGM at such time and in such amounts as would have been due absence such prepayment by the District unless the AGM 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 AGM without appropriate consent. The AGM may direct and must consent to any remedies and the AGM's consent may be required in connection with amendments to any applicable Bond documents. In the event the AGM 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 by the Paying Agent/Registrar pursuant to the Resolution. In the event the AGM 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 AGM and its claims-paying ability. The AGM'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 AGM and of the ratings on the Bonds insured by the AGM 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 "BOND INSURANCE" herein.

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

Neither the District nor the Underwriter have made independent investigation into the claims-paying ability of the AGM and no assurance or representation regarding the financial strength or projected financial strength of the AGM 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 AGM, particularly over the life of the investment.

CLAIMS-PAYING ABILITY AND FINANCIAL STRENGTH OF MUNICIPAL BOND INSURERS . . . S&P, Moody's Investor Services, Inc., and Fitch Ratings (the "Rating Agencies") have downgraded the claims-paying ability and financial strength of most providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers are possible. In addition, certain events in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims-paying ability of such bond insurers, including the Bond Insurer of the Bonds.

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BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by the DTC while the Bonds are registered in its nominee's name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The 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 (i) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participant, (ii) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (iii) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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 Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the

District 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).

All 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 the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend 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 the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Financial Advisor take any responsibility for the accuracy thereof.

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USE AND DISTRIBUTION OF BOND PROCEEDS

The proceeds of the Bonds will be used to finance: (i) development of Santa Rita Ranch Phase 1 Sections 6B, 11, 20A-C and 21, and (ii) engineering and inspection fees. The remaining Bond proceeds will be used to: (i) pay operating costs; (ii) pay developer interest; and (iii) pay other costs associated with the issuance of the Bonds.

The estimated use and distribution of Bond proceeds is set forth below. Of the proceeds to be received from the sale of the Bonds, $5,026,915 is estimated to be required for construction costs, and $1,508,085 is estimated to be required for non-construction costs.

				District's Share
I.	**CONSTRUCTION COSTS**			
	A.	Developer Contribution Items		
		1.	Santa Rita Ranch Phase 1 Section 6B, Water, Wastewater and Drainage	$ 677,570
		2.	Santa Rita Ranch Phase 1 Section 11, Water, Wastewater and Drainage	1,426,305
		3.	Santa Rita Ranch Phase 1 Sections 20A, Water, Wastewater and Drainage	1,555,000
		4.	Santa Rita Ranch Phase 1 Section 20B, Water, Wastewater and Drainage	172,184
		5.	Santa Rita Ranch Phase 1 Section 20C, Water, Wastewater and Drainage	815,927
		6.	Santa Rita Ranch Phase 1 Section 21, Water, Wastewater and Drainage	607,142
		7.	Engineering and Inspection (for Items 2-6)	432,067
			Total Developer Costs	$ 5,686,195
	B.	District Items – None		
Less: Surplus Funds				**$ (659,280)** [(a)]
Total Construction Costs (76.9% of Bond Issue)				**$ 5,026,915**
II.	**NON-CONSTRUCTION COSTS**			
	A.	Legal Fees (1.50%)		$ 98,025
	B.	Bond Counsel Fees (1.50%)		98,025
	C.	Fiscal Agent Fees (1.75%)		114,363
	D.	Developer Interest[(b)]		608,203
	E.	Bond Discount (2.94%)		192,378
	F.	Bond Issuance Expenses		53,679
	G.	District Operating Expenses		265,867
	H.	Bond Application Report		51,000
	I.	Attorney General Fee (0.10%)		6,535
	J.	TCEQ Fee (0.25%)		16,338
	K.	Contingency[(c)]		3,672
Total Non-Construction Costs				**$ 1,508,085**
TOTAL BOND ISSUE REQUIREMENT				**$ 6,535,000**

(a) Funds currently on deposit in the Capital Projects Fund. See "SELECTED FINANCIAL INFORMATION."
(b) Based on an estimated interest rate of 4.50%. The amount of Developer interest will be finalized in connection with the reimbursement report approved by the Board of Directors prior to disbursement of funds.
(c) The TCEQ, in its approval of the issuance of the Bonds, directed any surplus Bond proceeds to be shown as a contingency line item and be subject to the TCEQ rules on use of surplus bond proceeds.

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INVESTMENT CONSIDERATIONS

GENERAL . . . The Bonds, which are obligations of the District and are not obligations of the City of Liberty Hill; Liberty Hill Independent School District; Williamson County, Texas; the State of Texas; or any other political subdivision, will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property located within the District. See "THE BONDS – Source of and Security for Payment."

The ultimate security for payment of principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property or, in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The collection by the District of delinquent taxes owed to it and the enforcement by registered owners of the District's obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of property within the District will occur or that the development in the District will maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property. See "INVESTMENT CONSIDERATIONS – Registered Owners' Remedies."

INFECTIOUS DISEASE OUTBREAK (COVID-19) . . . The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus has been characterized as a pandemic (the "Pandemic") by the World Health Organization 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"). On March 13, 2020, the Governor Of Texas (the "Governor") declared a state of disaster for all counties in the State in response the Pandemic. On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State of Texas.

Under State law, the proclamation of a state of disaster by the Governor may not continue for more than 30 days unless renewed by the Governor. The Governor has renewed this declaration monthly with the latest renewal on June 4, 2021. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting State business or any order or rule of a State agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation, which among other things, imposed limitations on social gatherings and other activities. Many of the federal, state, and local actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affect economic growth within Texas. On March 2, 2021, the Governor issued Executive Order GA-34,effective March 10, 2021, rescinding Executive Orders GA-17, GA-25, GA-29, GA-31 and superseding GA-32, but not GA-10 or Ga-13, rescinding all COVID-19 related operating limits for any business or other establishments, as all as the state-imposed requirement to wear a face covering, in counties not located in an area with high hospitalizations (meaning any trauma service area that has had seven consecutive days in which the number of COVID-19 hospitalized patients as a percentage of total hospital capacity exceeds 15%). Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://www.gov.texas.gov/.

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. While any potential impact of COVID-19 upon the District Cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations, financial condition or rating by impacting property tax values, the collection of ad valorem taxes, the homebuilding activity within the District including delays in obtaining construction permits for development. As of the date hereof, property tax values, ad valorem tax collections and homebuilding activities within the District have not been adversely impacted by the Pandemic. See "THE DISTRICT."

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

The financial and operating data contained herein are the latest available, but are as of dates and for periods largely prior to the economic impact of the Pandemic and measures instituted to slow the Pandemic. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition or its rating. See "FINANCIAL STATEMENT – Table 3 – Taxable Assessed Valuation" for the District's current fund balances.

FACTORS AFFECTING TAXABLE VALUES AND TAX PAYMENTS . . . ***Economic Factors, Interest Rates, Credit Availability and Residential Foreclosures:*** A substantial percentage of the taxable value of the District results from the current market value of single-family residences and developed lots. The market value of such homes and lots is related to general economic conditions affecting the demand for and taxable value of residences. Demand for lots and residential dwellings can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the economic prosperity and demographic characteristics of the urban centers toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values.

Interest rates and the availability of credit, including mortgage and development funding, have a direct impact on the construction activity, particularly short-term interest rates at which the Developer and homebuilders are able to obtain financing for development and construction costs. Interest rate levels and the general availability of credit may affect the ability of a landowner with undeveloped property to undertake and complete development activities within the District and the ability of potential homeowners to purchase homes. 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 development and construction within the District. In addition, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Austin metropolitan and regional economics.

Competition: The demand for single-family homes in the District could be affected by competition from other residential developments, including other residential developments located in other utility districts located near the District and other residential developments part of the Santa Rita Ranch community in which the District is included. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in more established neighborhoods closer to downtown Austin that are for sale. Such homes could represent additional competition for homes proposed to be sold within the District.

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

Dependence Upon Developer and Homebuilders: The Developer and active homebuilders are the principal taxpayers in the District. The growth of the tax base is dependent upon additional development of lots and construction of additional homes within the District. The Developer is under no obligation to continue to market developed tracts of land for improvement. Thus, the furnishing of information related to proposed development by the Developer should not be interpreted as such a commitment by the Developer. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developer, the homebuilders within the District or other entities to whom such parties 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 Developer's right to sell its 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 Developer. Failure to construct taxable improvements on developed lots and tracts or failure of the Developer to develop its land would restrict the rate of growth of taxable value in the District. See "THE DISTRICT – Current Status of Development," and "THE DEVELOPER."

The ten principal taxpayers in the District represented $25,969,113 or approximately 16.31% of the District's 2020 Certified Taxable Assessed Valuation of $159,212,530. The Developer, homebuilders and related entities represented approximately $23,420,011, or approximately 14.71%, of such value. If the Developer (or other principal taxpayer) were to default in the payment of taxes in an amount which exceeded the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds would be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process, or to sell tax anticipation notes. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate, hindering growth and leading to further defaults in the payment of taxes. 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 Collections and Foreclosure Remedies" in this section, "TAX DATA – Principal Taxpayers," and "TAXING PROCEDURES – Levy and Collection of Taxes."

Developer under No Obligation to the District: There is no commitment from, or obligation of, any developer to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes in the District, and there is no restriction on any landowner's right to sell its land. Failure of homebuilders to construct taxable improvements on developed lots and tracts and failure of landowners to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the Developer and the other principal taxpayers for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of either will be or what effect, if any, such financial conditions may have on their ability to pay taxes. See "THE DEVELOPER" and "SELECTED FINANCIAL INFORMATION – Principal Taxpayers."

Impact on District Tax Rates: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of the District property owners to pay their taxes. The 2020 Certified Taxable Assessed Valuation is $159,212,530 (see "FINANCIAL STATEMENT"). After issuance of the Bonds, the Maximum Annual Debt Service Requirement will be $1,578,705 (2046) and the Average Annual Debt Service Requirement will be $1,340,606 (2021-2051, inclusive). Based on the 2020 Certified Taxable Assessed Valuation of $159,212,530, a tax rate of $1.0438/$100 assessed valuation, at a 95% collection rate, would be necessary to pay the Maximum Annual Debt Service Requirement, and a tax rate of $0.8864/$100 assessed valuation at a 95% collection rate would be necessary to pay the Average Annual Debt Service Requirement. See "DEBT SERVICE REQUIREMENTS" and "TAX DATA – Tax Adequacy for Debt Service."

TAX COLLECTIONS AND FORECLOSURE REMEDIES . . . The District has a right to seek judicial foreclosure on a tax lien, but such remedy may prove to be costly and time consuming and, since the future market or resale market, if any, of the taxable real property within the District is uncertain, there can be no assurance that such property could be sold and delinquent taxes paid. Additionally, the District's tax lien is on a parity with the liens of all other State and local taxing authorities on the property against which the taxes are levied. Registered owners of the Bonds are entitled under Texas law to a writ of mandamus to compel the District to perform its obligations. Such remedy would have to be exercised upon each separate default and may prove costly, time consuming and difficult to enforce. Furthermore, there is no trust indenture or trustee, and all legal actions would have to be taken on the initiative of, and be financed by, registered owners to enforce such remedies. The rights and remedies of the registered owners and the enforceability of the Bonds may also be limited by bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally.

REGISTERED OWNERS' REMEDIES . . . In the event of default in the payment of principal of or interest on the Bonds, the registered owners have the 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 specifically provide for remedies to protect and enforce the interest of the registered owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the registered owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the registered owners may further be limited by 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 REGISTERED OWNERS' RIGHTS . . . ***District Bankruptcy:*** The enforceability of the rights and remedies of registered owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of State law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of registered owners' remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismissed the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (i) is specifically authorized to file for federal bankruptcy protection by applicable state law, (ii) is insolvent or unable to meet its debts as they mature, (iii) desires to effect a plan to adjust such debts, and (iv) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiations are impracticable. Under State law a municipal utility district, such as the District, must obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under Federal bankruptcy law only if such district has fully exercised its rights and powers under State law and remains unable to meet its debts and other obligations as they mature.

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

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

Developer Bankruptcy: In the event of bankruptcy of the Developer within the District, it is possible the District could experience volatility in the ad valorem tax rate established by the District as well as a disruption in the timing of receipt of ad valorem taxes from any such bankrupt entities.

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

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

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

MARKETABILITY . . . The District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price for the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are more generally bought, sold or traded in the secondary market. Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

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

FUTURE DEBT . . . As of May 1, 2021, approximately 329.52 acres of land within the District have been developed with utility facilities by the Developer. According to information obtained from Carlson, Brigance & Doering, Inc. ("CBD," the District's prior engineer), the Developer has advanced approximately $21,006,625 in construction costs plus engineering fees to develop utility facilities.

Therefore, the Developer will be owed additional funds for utility construction with reimbursements expected to be made from the proceeds of future installments of bonds over the next several years. Each future issue of bonds is intended to be sold at the earliest practicable date consistent with the maintenance of a reasonable tax rate in the District (assuming projected increases in the value of taxable property made at the time of issuance of the bonds are accurate) see "THE DEVELOPER – Utility Development Agreement." The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS – Issuance of Additional Debt."

The District may issue bonds or other obligations necessary to provide those improvements and facilities for which the District was created, with the approval of the TCEQ and, in the case of bonds payable from taxes, the District's voters. On November 5, 2013, voters within the District authorized the issuance of unlimited tax bonds in the principal amount of $93,000,000 for the purpose of providing water, wastewater, and drainage facilities to meet the needs of the residents and customers of the District. Following the issuance of the Bonds, $65,775,000 in unlimited tax bonds authorized by the District voters will remain authorized but unissued for water, wastewater and drainage facilities. See "FINANCIAL STATEMENT – Authorized But Unissued Bonds." The District currently anticipates issuing approximately $11,115,000 in additional unlimited tax bonds in late 2021 to further reimburse the Developer for certain water, wastewater and drainage facilities. The District's voters, at the election held within the District on November 5, 2013, also authorized the issuance of $15,500,000 in bonds for the acquisition and construction of parks and recreational facilities and $162,750,000 in refunding bonds, all of which remain authorized but unissued. At an election held on November 4, 2014, the District's voters authorized the issuance of $7,000,000 in bonds for road improvements, all of which remain authorized but unissued.

The District has reserved in the Bond Order the right to issue the remaining $65,775,000 in authorized but unissued water, wastewater and drainage facilities bonds and such additional bonds as may hereafter be approved by both the Board of Directors and voters of the District. All of the remaining $65,775,000 water, wastewater and drainage facilities bonds may be issued by the District from time to time for qualified purposes, as determined by the Board of Directors of the District, subject to the approval of the Attorney General of the State of Texas and the TCEQ. In the opinion of the District's Engineer, the remaining authorization should be sufficient to reimburse the Developer for the water, wastewater and drainage facilities required to serve development within the District. See "THE SYSTEM."

GOVERNMENTAL APPROVAL . . . As required by law, engineering plans, specifications and estimates of construction costs for the facilities and services to be purchased or constructed by the District with the proceeds of the Bonds have been approved, subject to certain conditions, by the TCEQ. See "USE AND DISTRIBUTION OF BOND PROCEEDS." The TCEQ approved the issuance of the Bonds by an order signed on April 27, 2021 (the "TCEQ Order"). In addition, the Attorney General of Texas must approve the legality of the Bonds prior to their delivery.

Neither the TCEQ nor the Attorney General of Texas passes upon or guarantees the security of the Bonds as an investment, nor have the foregoing authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

FORWARD-LOOKING STATEMENTS . . . The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements.

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

ENVIRONMENTAL REGULATION . . . Wastewater treatment and water supply facilities are subject to stringent and complex environmental laws and regulations. Facilities must comply with environmental laws at the federal, state, and local levels. These laws and regulations can restrict or prohibit certain activities that affect the environment in many ways such as:

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

Compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Sanctions against a water district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements, and issuance of injunctions as to future compliance of and the ability to operate the District's water supply, wastewater treatment, and drainage facilities. Environmental laws and regulations can also impact an area's ability to grow and develop. The following is a discussion of certain environmental concerns that relate to the District. It should be noted that changes in environmental laws and regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

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

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

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

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

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

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

Pursuant to the Safe Drinking Water Act, potable (drinking) water provided more than sixty (60) end users for consumption will be subject to extensive federal and state regulation as a public water supply system, which include, among other requirements, frequent sampling and analyses. Additionally, the EPA has been charged with establishing maximum contaminant levels (MCLs) for potential drinking water contaminants (both naturally occurring and anthropogenic) such as arsenic, lead, radon, and disinfection by-products (e.g. chlorine). Additionally, TCEQ is initiating rule changes to Chapter 290, Public Drinking Water, to implement the federal Stage 2 Disinfection Byproducts Rule (DBP2), Long Term Stage 2 Enhanced Surface Water Treatment Rule (LT2), and Ground Water Rule (GWR). EPA adopted the GWR on October 11, 2006. Future regulations or requirements pertaining to these and other drinking water contaminants could require installation of more costly treatment facilities.

Operation of the District's sewer facilities is subject to regulation under the Federal Clean Water Act and the Texas Water Code. All discharges of pollutants into the nation's navigable waters must comply with the Clean Water Act. The Clean Water Act allows municipal wastewater treatment plants to discharge treated effluent to the extent allowed under permits issued by the EPA pursuant to the National Pollutant Discharge Elimination System ("NPDES") program, a national program established by the Clean Water Act for issuing, revoking, monitoring and enforcing wastewater discharge permits. On September 14, 1998, EPA authorized Texas to implement the NPDES program, which is called the Texas Pollutant Discharge Elimination System ("TPDES") program.

TPDES permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. Any discharges to water bodies designated as impaired streams in accordance with the Clean Water Act may be precluded from obtaining a TPDES permit if pollutants for which the stream is designated as impaired are among those pollutants being released by a District. Moreover, the Clean Water Act and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations. In addition, under the Clean Water Act, states must identify any bodies of water for which more stringent effluent standards are needed to achieve water quality standards and must establish the maximum allowable daily load of certain pollutants into the water bodies.

Operations of the District are also potentially subject to stormwater discharge permitting requirements as set forth under the Clean Water Act and regulations implementing the Clean Water Act. The TCEQ adopted by reference the vast majority of the EPA regulations relating to stormwater discharges and currently has issued a general permit for stormwater discharges associated with industrial activities and two general permits for stormwater discharges associated with construction activities and municipal separate stormwater systems. The District may also be required to develop and implement stormwater pollution prevention plans and has developed a stormwater management plan. The District could incur substantial costs to develop and implement such plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. Failure to comply with these requirements may result in the imposition of administrative, civil, and criminal penalties as well as injunctive relief under the Clean Water Act or the Texas Water Code.

Atlas 14 Study. In 2018, the National Weather Service completed a rainfall study known as Atlas 14 which shows that severe rainfall events are now occurring more frequently. Within Texas, the Atlas 14 study showed an increased number of rainfall events in a band extending from the upper Gulf Coast in the east and running west generally along the I-10 corridor to Central Texas. Based on this study, various governmental entities, including Williamson County, are contemplating amendments to their regulations that will potentially increase the size of the 100 year floodplain and will also increase the size of detention ponds and drainage facilities required for future construction in all areas (not just in the floodplain).

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

FUTURE AND PROPOSED LEGISLATION . . . On January 12, 2021, the 87th Legislature convened in regular session which adjourned on May 31, 2021. Thereafter, the Governor may call one or more special sessions. During this time, the Texas Legislature may enact laws that materially change current law relating to districts including with respect to the levy of property taxes. The District makes no representation regarding any actions the Texas Legislature may take but intends to monitor proposed legislation for any developments applicable to the District.

DROUGHT CONDITIONS . . . Central Texas, like other areas of the State, is experiencing drought conditions. The City of Georgetown provides water to the District in amounts sufficient to service the residents of the District, however, as drought conditions continue water usage and rates could be impacted.

AGREEMENT REGARDING RETAIL WATER SERVICE . . . Effective May 15, 2008, MUD 19, Santa Rita Investments, Ltd. ("SRI") and Chisholm Trail SUD (the "SUD") entered into a First Amended and Restated Non-Standard Water and Wastewater Service

Agreement (the "Chisholm Contract"), under which Chisholm agreed to provide 2,858 LUEs of both retail water service and retail wastewater service to 1,453 acres of land then located within MUD 19. Following MUD 19's division into MUD 19 and the District in February 2011, MUD 19's rights and obligations under the Chisholm Contract were transferred to the District with the consent of the SUD. Subsequently, in November 2013, by Agreement Relating to Transfer of Retail Water Service Rights (Middlebrook and Santa Rita) between the SUD, Santa Rita Investments, Ltd., Middlebrook, Ltd., MUD 19 and the District, the parties agreed that a portion of the 2,858 LUEs of water service available to the District under the Chisholm Contract could be transferred to and used within MUD 19 and, to date, a total of 1,234 LUEs of water service have been transferred. Georgetown has purchased the water supply facilities, service areas, and contracts of the SUD and the Chisholm Contract was transferred to Georgetown.

AGREEMENT REGARDING RETAIL WASTEWATER COLLECTION AND TREATMENT . . . Land within the District receives retail wastewater collection and treatment services from the City of Liberty Hill. Expansions of the City's treatment plant and other offsite facilities will be required to provide wastewater service to all the acreage within the District. If Liberty Hill fails to provide wastewater service beyond what is currently available, or increases rates beyond those which are usual and customary, development within the District could be adversely affected. Although the District and other parties to the Lift Station Agreement have certain contractual self-help remedies if Liberty Hill does not proceed with the design, construction or expansion of the facilities required to provide additional service, resorting to such remedies could be a time consuming and expensive process. See "THE SYSTEM – Wastewater Collection and Treatment."

THE DISTRICT

GENERAL . . . The District is a resulting district created by the division of Williamson County Municipal Utility District No. 19 ("MUD 19") pursuant to an order adopted by the Board of Directors of MUD 19 on February 15, 2011. MUD 19 was created by the Act. Section 8134.103 of the Act authorized MUD 19 to divide without an election upon the consent of all landholders within MUD 19. The District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59, Article XVI of the Texas Constitution and operates pursuant to the Act and Chapters 49 and 54 of the Texas Water Code. In addition to the District's purposes of providing water, wastewater and drainage facilities and services, the District acquired road powers pursuant to an order of from the Texas Commission on Environmental Quality (the "TCEQ") dated July 24, 2014.

MANAGEMENT . . . ***Board of Directors.*** The District is governed by a Board of Directors (the "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 reside or own property in the District.

Name	Title	Term Expires
Robert J. Liverman	President	2024
James M. Knight	Vice President	2024
Colin M. Parker	Secretary	2022
Richard Kent Jennings	Asst. Secretary	2022
Patty L. Johns	Asst. Secretary	2024

CONSULTANTS . . . *Tax Assessor/Collector.* Land and improvements in the District are being appraised by the Williamson Central Appraisal District ("WCAD"). The Tax Assessor/Collector is appointed by the Board of Directors of the District. The Williamson County Tax Assessor/Collector, Mr. Larry Gaddes, currently serves the District in this capacity under contract.

Operator. Retail water service is provided by the City of Georgetown pursuant to a contract. Wholesale wastewater treatment and wastewater facilities operations are provided by the City of Liberty Hill pursuant to contracts.

Bookkeeper. Bott & Douthitt, PLLC ("B&D") provides bookkeeping services to the District. B&D serves in a similar capacity for 65 other special districts.

Engineer. The District's consulting engineer is Carlson, Brigance & Doering, Inc. (the "District's Engineer").

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

Bond Counsel and Disclosure Counsel. The District has engaged McCall, Parkhurst & Horton L.L.P., Austin, Texas as Bond Counsel and Disclosure Counsel in connection with the issuance of the District's Bonds. The fees of Bond Counsel and Disclosure Counsel are contingent upon the sale of and delivery of the Bonds.

General Counsel. The District has engaged Armbrust & Brown, PLLC as General Counsel. Fees paid to Armbrust & Brown, PLLC for work related to the issuance of the Bonds are contingent upon the sale of the Bonds.

LOCATION . . . The District, which encompasses approximately 468.131 acres of land, is located approximately five miles southeast of the central business district of the City of Liberty Hill ("Liberty Hill") and one and one-half miles north of the intersection of Ronald Reagan Boulevard and State Highway 29 in western Williamson County. Access to the District is provided by Ronald Reagan Boulevard to Elizabeth Park Boulevard. The District is located entirely within the extraterritorial jurisdiction of Liberty Hill. See "LOCATION MAP."

CURRENT STATUS OF DEVELOPMENT . . . The District was created by division of MUD 19 on February 15, 2011, as authorized by Chapter 8134, Special District Local Laws Code. At the time of creation, the District contained approximately 1,480.71 acres of land. On July 24, 2013, the District divided into the District, containing 331.76 acres, and Williamson County Municipal Utility District No. 19B, containing 1,148.95 acres of land. In January 2017, the District annexed 1.5 acres and in May 2018 the District annexed 106.84 acres. On April 1, 2020, the District annexed 28.078 acres and currently contains approximately 468.131 acres of land.

As of May 1, 2021, out of the 468.131 acres located within the District, approximately 329.52 acres have been developed with utility facilities (including a 3.92 acre amenity center site). As of May 1, 2021, the District contains approximately 58.55 acres that are developable but currently undeveloped, including 40.29 acres planned for single family development and 18.26 acres planned for commercial development. Water, wastewater and drainage facilities for Sections 14 (28.70 acres with 42 lots) and 22 (28.33 acres with 58 lots) are currently under construction. The District contains approximately 23.031 acres of undevelopable acreage, including 14.54 acres planned for a school site, and 8.491 acres planned for open space/park and drainage. As of May 1, 2021, the following sections have been developed with utility facilities: Section 1A (10.86 acres, platted as 8 single family lots and 1 amenity center lot); Section 1B (10.92 acres, platted as 28 single family lots); Section 1C (9.97 acres, platted as 33 single family lots); Section 1D (2.06 acres, platted as 5 single family lots); Section 1E (3.70 acres, platted as 9 single family lots); Section 2A (5.61 acres, platted as 25 single family lots); Section 2B (12.48 acres, platted as 35 single family lots); Section 3A (8.41 acres, platted as 31 single family lots); Section 3B (12.44 acres, platted as 28 single family lots); Section 4 (12.49 acres, platted as 42 single family lots); Section 6A (7.33 acres, platted as 38 single family lots); Section 6B (16.55 acres, platted as 41 single family lots); Section 6C (2.60 acres, platted as 0 single family lots); Section 8 (21.86 acres, platted as 68 single family lots); Section 9 (16.49 acres, platted as 54 single family lots); Section 11 (21.0 acres, platted as 64 single family lots); Section 12 (11.20 acres, platted as 20 single family lots); Section 13 (12.57 acres, platted as 23 single family lots); Section 15 (6.76 acres, platted as 38 single family lots); Section 16 (34.23 acres, platted as 71 single family lots); Section 18 (21.16 acres, platted as 60 single family lots); Section 19 (15.59 acres, platted as 49 single family lots); Section 20A (15.95 acres, platted as 33 single family lots); Section 20B (5.07 acres, platted as 21 single family lots); Section 20C (11.60 acres, platted as 58 single family lots); and Section 21 (20.62 acres, platted as 49 single family lots). As of May 1, 2021, the development in the District consisted of 799 developed single family lots, 630 completed homes, 169 homes under construction, and 208 vacant single family lots.

The chart below reflects the District's status of development as of May 1, 2021:

			Single Family		
	Net Acreage	**Platted Lots**	**Completed Homes**	**Homes Under Construction**	**Vacant Lots**
A. Sections Developed with Utility Facilities					
Sections 1A, 1B, 1C, 1D, 1E, 2A, 2B, 3A, 3B, 4, 6A, 6B, 6C, 8, 9, 11, 12, 13, 15, 16, 18, 19, 20A, 20B, 20C and 21	329.52 [(a)]	799	630	169	208
Total Developed	**329.52**	**799**	**630**	**169**	**208**
B. Acreage with Utility Facilities Under Construction	57.03				
C. Remaining Developable Acreage	58.55 [(b)]				
D. Undevelopable Acreage (Open Space, Drainage, school site, floodplain)	23.031				
Total	**468.13** [(c)]				

(a) Includes an approximately 3.92 acre amenity center site.
(b) Includes 40.29 acres planned for single-family development, 18.26 acres planned for commercial development.
(c) Original district boundaries were 331.76 acres; 1.50 acres was annexed on January 4, 2017, 106.84 acres was annexed on May 2, 2018 and 28.078 acres was annexed on April 1, 2020.

FUTURE DEVELOPMENT . . . As of May 1, 2021, the District contains approximately 58.55 acres that are developable but currently undeveloped, including 40.29 acres planned for single family development and 18.26 acres planned for commercial development. Water, wastewater and drainage facilities for Sections 14 (28.70 acres with 42 lots) and 22 (28.33 acres with 58 lots) are currently under construction. The District contains approximately 23.031 acres of undevelopable acreage, including 14.54 acres planned for a school site, and 8.491 acres planned for open space/park & drainage. The initiation of any new development beyond that described in this Official Statement will be dependent on several factors including, to a great extent, the general and other economic conditions that would affect any party's ability to sell lots and/or other property and of any homebuilder to sell completed homes as described in this Official Statement under the caption "INVESTMENT CONSIDERATIONS." If the undeveloped portion of the District is eventually developed, additions to the District's water, wastewater, and drainage systems required to service such undeveloped acreage may be financed by future issues, if any, of the District's bonds and developer contributions, if any, as required by the TCEQ. The District's Engineer estimates that the $65,775,000 remaining principal amount of voted water, wastewater, and drainage bonds which are authorized to be issued should be sufficient to reimburse the Developer for the existing utility facilities and provide utility service to remaining undeveloped but potentially developable acreage within the District. See "THE BONDS – Issuance of Additional Debt." The Developer is under no obligation to complete any development, if begun, and may modify or discontinue development plans in its sole discretion. Accordingly, the District makes no representation that future development will occur.

ANNEXATION OF THE DISTRICT . . . The District lies within the extraterritorial jurisdiction of Liberty Hill. See "THE BONDS – Annexation" for a discussion of the ability of Liberty Hill to annex the District.

CONSENT AGREEMENT WITH LIBERTY HILL . . . Effective December 23, 2005, Liberty Hill, the Braun Family Limited Partnership, Roselle M. Braun, and MUD 19 entered into a Consent and Development Agreement (the "Consent Agreement") which, as amended, governs the development of the land within the District. Pursuant to the Consent Agreement, Liberty Hill consented to, among other things, the creation of MUD 19 and the division of MUD 19 into additional districts, including the District. Additionally, Liberty Hill agreed in the Consent Agreement not to annex the land that is subject to the terms of the Consent Agreement, including the land within the District (the "Land"), without the landowners' consent.

The Consent Agreement also provides that Liberty Hill will not, during the term of the Consent Agreement, impose or attempt to impose (a) any moratorium on building or development within the Land or (b) any land use or development regulation that limits the rate or timing of land use approvals. However, Liberty Hill is authorized to apply a temporary moratorium that is applied uniformly throughout Liberty Hill due to an emergency constituting imminent threat to the public health or safety. The Consent Agreement had an initial term of 15 years, which ended December 23, 2020, and was automatically extended for an additional 15 years because the landowners or assignees did not elect to give written notice of termination at least 90 days before the expiration of the initial 15-year term. The Consent Agreement has been amended by the First Amendment to Consent and Development Agreement dated affective February 6, 2006, and by an Addendum to Consent and Development agreement dated affective August 22, 2016.

THE DEVELOPER

GENERAL . . . In general, the activities of a developer within a utility district, such as the District, include purchasing land within the future district, petitioning for creation of the district, designing the development, defining a marketing program, planning building schedules, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities) pursuant to the rules of the TCEQ, and selling improved lots or commercial reserves to builders, other developers or third parties. Ordinarily, the developer pays one hundred percent (100%) of the costs of paving and amenity design and construction while the utility district finances the costs of the water supply and distribution, wastewater collection and treatment and drainage facilities. While a landowner or developer is required by the TCEQ to pave streets and pay for its allocable portion of the costs of utilities to be financed by the district through any specific bond issue, a developer is generally under no obligation to a district to undertake development activities with respect to other property it owns within a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of the developer to perform such activities in development of the property within the utility district may have a profound effect on the security for the bonds issued by a district.

DESCRIPTION OF DEVELOPER . . . The developer currently active within the District is Santa Rita KC, LLC (the "Developer"), a Texas limited liability company which is a wholly owned subsidiary of Mariner Residential Recovery Fund A, LLC, a Delaware limited liability company ("Mariner"). The Developer's manager is MREM Texas Manager, LLC, a Delaware limited liability company. The land within the District planned for commercial development is owned by Santa Rita Commercial, LLC, and Santa Rita Investments, LLC, both Texas limited liability companies. See "THE DISTRICT – Current Status of Development."

ACQUISITION AND DEVELOPMENT FINANCING . . . According to the Developer, the acquisition of the land within the District from certain members of the Braun family (the "Braun Family") by the original developer was financed through a seller-financed note that has since been paid off.

The Developer has also stated that International Bank of Commerce ("IBC Bank") has provided financing (for the purpose of developing the acreage both within the District and throughout Santa Rita Ranch) in the currently available aggregate principal amount of $88,772,180, in the form of a first lien and second lien line of credit, which may be drawn on from time to time, with the maximum outstanding balance at any time being limited to $57,000,000. The amount currently outstanding on the first lien line of credit is $23,700,000, and the amount currently outstanding on the second lien line of credit is $28,000,000. According to the Developer, interest on these two loans is paid monthly and they both mature on October 31, 2023. The Developer has represented to the District that it is in compliance with the terms of each loan. The loans are secured by land held by various subsidiaries of Mariner throughout Santa Rita Ranch, and are guaranteed by Mariner.

HOMEBUILDERS WITHIN THE DISTRICT . . . According to the Developer, there are currently six homebuilders active within the District: Empire Communities, Scott Felder Homes; LP; Highland Homes; Perry Homes; Sitterle Homes; and Lennar Homes. The homes range in price from approximately $350,000 to $1,200,000, with square footage ranging from approximately 1,700 to 5,000.

UTILITY CONSTRUCTION AGREEMENT . . . The District has entered into a revised and restated utility construction agreement with the Developer; Santa Rita Investments, Ltd. ("SRI"); Santa Rita Commercial, Ltd. ("SRC") and the Braun Family Limited Partnership ("Braun") effective October 30, 2013 (the "Santa Rita Construction Agreement"), governing the development of water, wastewater and drainage facilities on the 331.76 acres of land originally within the District and the District's use thereof and the reimbursement of the Developer for certain of the costs of such development through the issuance of bonds by the District. Under the terms of the Santa Rita Utility Construction Agreement, Developer, SRI and/or SRC would receive 79% and the Braun Family 21% of any reimbursements from bond proceeds.

The Santa Rita Construction Agreement has been amended by Amendment No. 1 dated June 22, 2018, to include the 1.5 acre tract and the 106.84 acre tract previously annexed by the District and to include park and recreational facilities within the facilities eligible for reimbursement thereunder and has been further amended by Amended and Restated Amendment No. 2 to Revised and Restated Utility Construction Agreement dated July 1, 2020 to include 27.462 acres of the 28.078 acre tract previously annexed by the District. The District and Santa Rita C7 Investments, LLC. entered into a Utility and Park Facility Construction and Reimbursement Agreement dated effective as of July 1, 2020, governing the development of water, wastewater and drainage facilities on remaining .616 acres of the 28.078 acre tract previously annexed by the District and the reimbursement of certain costs of such development through the issuance of bonds by the District. Effective June 5, 2019, the District, the Developer, SRI, SRC and Braun also entered into a Road Improvements Construction and Reimbursement Agreement, governing the construction of and reimbursement for road improvements in the District. Certain reimbursement rights arising under these agreements have been collaterally assigned to IBC Bank. See "THE DISTRICT – Current Status of Development."

AGRICULTURAL EXEMPTION . . . Certain of the undeveloped acreage with the District is subject to an agricultural exemption; however, the landowners have executed agreements, recorded in the real property records of Williamson County, waiving their respective rights to have such acreage classified as agricultural, open-space or timberland for purposes of District taxes. This waiver agreement is a covenant encumbering and running with the land, and binding on purchasers of the land subject thereto. See "TAXING PROCEDURES – Property Subject to Taxation by the District."

THE SYSTEM

GENERAL . . . Retail water service within the District is provided by the City of Georgetown ("Georgetown"). Wholesale wastewater service is provided by Liberty Hill, which also operates and maintains the District's wastewater system.

WATER SUPPLY . . . Effective April 30, 2008, MUD 19, Chisholm Trail Special Utility District (the "SUD"), and Santa Rita Investments, Ltd. entered into a "First Amended and Restated Non-Standard Water and Wastewater Service Agreement (Santa Rita) (the "Chisholm Contract") under which Chisholm agreed to provide 2,858 LUEs of both retail water service and retail wastewater service to 1,453 acres of land then located within MUD 19. Following MUD 19's division into MUD 19 and the District in February 2011, MUD 19's rights and obligations under the Chisholm Contract were transferred to the District with the consent of the SUD. Subsequently, in November 2013, by Agreement Relating to Transfer of Retail Water Service Rights (Middlebrook and Santa Rita) between the SUD, Santa Rita Investments, Ltd., Middlebrook, Ltd., MUD 19 and the District, the parties agreed that a portion of the 2,858 LUEs of water service available to the District under the Chisholm Contract could be transferred to and used within MUD 19 and, to date, a total of 1,234 LUEs of water service have been transferred. Georgetown has purchased the water supply facilities, service areas, and contracts of the SUD and the Chisholm Contract was transferred to Georgetown. The District's water supply is provided through surface water furnished to Georgetown from Lake Georgetown and Stillhouse Hollow Lake under contracts between Georgetown and the Brazos River Authority which is treated at Georgetown's 28 MGD surface water treatment plant and through ground water from wells located in the Edwards Aquifer. Water is delivered to the District through a 24-inch water transmission line located along Ronald Reagan Boulevard. The District's water facilities are subject to regulation by, among other authorities, the EPA and the TCEQ.

WASTEWATER COLLECTION AND TREATMENT . . . As contemplated by the Chisholm Contract, it was initially planned for the SUD to provide retail wastewater service to the District, utilizing wholesale wastewater capacity obtained by the SUD pursuant to a Wholesale Wastewater Service Agreement dated September 25, 2006 between the SUD, MUD 19, the Lower Colorado River Authority ("LCRA"), and the Brazos River Authority ("BRA"), as well as Williamson County Municipal Utility District No. 12 ("District 12") (such agreement, as amended and supplemented, the "LCRA Wholesale Agreement") through a wastewater treatment plant owned by LCRA, operated by BRA, and located in the proximity of Liberty Hill, operated under TPDES Permit No. WQ0014477-001. In 2011, Liberty Hill purchased the wastewater treatment plant from LCRA and was assigned and assumed LCRA's rights and obligations under the LCRA Wholesale Agreement. In September 2013, the Chisholm Contract was amended to terminate the SUD's obligation to provide wastewater service and, in October 2013, the District, along with MUD 19 and District 12, entered into an Additional Wholesale Wastewater Service Agreement (MUD Nos. 12, 19 and 19A) (the "Additional Wastewater Agreement") under which Liberty Hill agreed to provide an additional 6,667 LUEs of wastewater service through certain improvements to the Liberty Hill's wastewater collection system and authorized the District to allocate and transfer any of those additional LUEs to District 12 or MUD 19. Pursuant to the Agreement for Conveyance of Lift Stations and Force Mains, Provision of Additional LUEs of Wastewater Service and Surcharge Fee Credits, and Matters Related Thereto dated February 8, 2016 (the

“Lift Station Agreement”), between, among other parties, Liberty Hill, the District, MUD 19 and District 12, the District, MUD 19 and District 12 conveyed certain lift station facilities and easements shared by the three districts to Liberty Hill, which assumed the responsibility for the future operation and maintenance, as well as expansion, of such facilities and the three districts agreed to pay certain surcharge fees in order to fund the costs of such acquisition and any future expansions. In the Lift Station Agreement, Liberty Hill confirmed its commitment of 1,500 LUEs of currently available wastewater capacity to the District, agreed to provide an additional 2,011 LUES of available wastewater capacity to the District, MUD 19 and Williamson County Municipal Utility District No. 19B, and further agreed to provide an additional 5,167 LUES of treatment capacity (being the balance of the 6,667 LUEs of treatment capacity that Liberty Hill previously agreed to provide under the Additional Wastewater Agreement) upon Liberty Hill’s completion of an expansion project described in the Lift Station Agreement. Expansions of the treatment plant and other offsite facilities will be required to provide wastewater service to all of the acreage within the District. If Liberty Hill fails to provide the wastewater service it has committed to the District or fails to timely complete improvements required to provide additional wastewater service beyond that which is currently available, development within the District could be adversely affected. Although the District and other parties to the Lift Station Agreement have certain contractual self-help remedies if Liberty Hill does not proceed with the design, construction or expansion of certain facilities required to provide service, resorting to such remedies could be a time-consuming and expensive process.

STORM WATER DRAINAGE . . . Natural drainage patterns generally slope from the District east/southeast to the Middle Fork of the San Gabriel River. Storm-water runoff is collected by curb and gutter streets which tie into a system of underground storm sewer lines which outfall into detention and water quality ponds. The District is located within the Edwards Aquifer Contributing Zone and Recharge Zone and is subject to the TCEQ’s Edwards Aquifer Rules, including an approved Water Pollution Abatement Plan for water quality control during and after construction.

100-YEAR FLOOD PLAIN AND STORM DRAINAGE INFORMATION . . . Flood Insurance Rate Map” or “FIRM” means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The “100-year flood plain” (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. According to the District’s Engineer, one acre within the District lies within the floodplain as shown in the FEMA Flood Insurance Rate map dated September 26, 2008 for Williamson County; however, approximately 23.031 acres within the District are undevelopable flood plain as required by the Williamson County for the District’s drainage facilities.

In 2018, the National Weather Service completed a rainfall study known as Atlas 14 which shows that severe rainfall events are now occurring more frequently. Within Texas, the Atlas 14 study showed an increased number of rainfall events in a band extending from the upper Gulf Coast in the east and running west generally along the I-10 corridor to Central Texas. Based on this study, various governmental entities, including Williamson County, are contemplating amendments to their regulations that will potentially increase the size of the 100 year floodplain and will also increase the size of detention ponds and drainage facilities required for future construction in all areas and not just in the floodplain.

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FINANCIAL STATEMENT

TABLE 1 – OPERATING REVENUES AND EXPENSES STATEMENT . . . The following statement sets forth in condensed form the historical operations of the District based upon the District's audit for the fiscal year ended September 30, 2020. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary has been prepared from information obtained from the District's financial statements and records. Reference is made to such statements for further and more complete information. Also see "APPENDIX A – Audited Financial Statements."

	Fiscal Year Ended September 30,				
	2020	2019	2018	2017	2016
Revenues:					
Property Taxes & Penalties	$ 317,373	$ 214,666	$ 225,248	$ 181,034	$ 52,233
Other	176,682	191,440	50,921	31,197	25,500
Total Revenues	$ 494,055	$ 406,106	$ 276,169	$ 212,231	$ 77,733
Expenditures:					
Water Reservation Fees	$ 77,072	$ 126,055	$ 131,808	$ 134,727	$ 59,035
Wastewater Reservation Fees	-	-	-	-	75,600
Repairs/Maintenance	14,959	8,786	-	-	-
Utilities	8,248	4,418	-	-	-
Director Fees/Payroll Taxes	7,751	8,881	8,235	7,105	9,527
Legal Fees	46,703	52,863	42,895	30,537	56,462
Engineering Fees	13,845	14,515	12,024	7,461	8,056
Bookkeeping Fees	16,850	17,900	16,850	15,750	10,950
Audit Fees	11,000	10,500	8,250	8,500	8,000
Other Consulting Fees	15,988	9,484	-	-	-
Tax Appraisal/Collection Fees	1,868	2,707	1,383	1,262	412
Insurance	2,855	1,265	2,609	2,257	1,524
Other	450	595	401	20	1,826
Total Expenditures	$ 217,589	$ 257,969	$ 224,455	$ 207,619	$ 231,392
Net Revenues	$ 276,466	$ 148,137	$ 51,714	$ 4,612	$ (153,659)
Beginning Fund Balance	$ 228,060	$ 79,923	$ 28,209	$ (10,403)	$ 1,256
Plus/(Less): Fund Transfer	-	-	-	34,000	142,000
Ending Fund Balance	$ 504,526	$ 228,060	$ 79,923	$ 28,209	$ (10,403)

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TABLE 2 – DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Bonds			The Bonds			Total Debt Service Requirements
	Principal	Interest	Total	Principal	Interest[(a)]	Total	
2021	$ 135,000	$ 647,329	$ 782,329	$ -	$ -	$ -	$ 782,329
2022	390,000	659,668	1,049,668	-	159,975	159,975	1,209,642
2023	415,000	645,893	1,060,893	130,000	153,168	283,168	1,344,060
2024	435,000	631,043	1,066,043	135,000	147,318	282,318	1,348,360
2025	450,000	614,268	1,064,268	140,000	141,243	281,243	1,345,510
2026	475,000	598,480	1,073,480	145,000	134,943	279,943	1,353,423
2027	490,000	581,780	1,071,780	150,000	128,418	278,418	1,350,198
2028	510,000	566,718	1,076,718	155,000	125,418	280,418	1,357,135
2029	535,000	550,924	1,085,924	160,000	122,318	282,318	1,368,241
2030	550,000	534,236	1,084,236	165,000	119,118	284,118	1,368,354
2031	580,000	517,074	1,097,074	170,000	116,643	286,643	1,383,716
2032	605,000	498,830	1,103,830	180,000	113,243	293,243	1,397,073
2033	630,000	479,786	1,109,786	185,000	109,643	294,643	1,404,429
2034	655,000	460,968	1,115,968	190,000	105,943	295,943	1,411,910
2035	685,000	441,236	1,126,236	200,000	102,143	302,143	1,428,379
2036	725,000	419,949	1,144,949	205,000	98,143	303,143	1,448,091
2037	755,000	397,043	1,152,043	215,000	94,043	309,043	1,461,085
2038	780,000	372,618	1,152,618	220,000	89,743	309,743	1,462,360
2039	815,000	347,374	1,162,374	230,000	85,343	315,343	1,477,716
2040	855,000	320,665	1,175,665	240,000	80,743	320,743	1,496,408
2041	895,000	292,030	1,187,030	250,000	75,643	325,643	1,512,673
2042	930,000	262,005	1,192,005	260,000	70,330	330,330	1,522,335
2043	975,000	230,760	1,205,760	270,000	64,480	334,480	1,540,240
2044	1,015,000	197,975	1,212,975	280,000	58,405	338,405	1,551,380
2045	1,055,000	163,745	1,218,745	290,000	52,105	342,105	1,560,850
2046	1,105,000	128,125	1,233,125	300,000	45,580	345,580	1,578,705
2047	885,000	90,815	975,815	310,000	38,680	348,680	1,324,495
2048	920,000	63,715	983,715	320,000	31,550	351,550	1,335,265
2049	745,000	35,519	780,519	335,000	24,190	359,190	1,139,709
2050	550,000	14,670	564,670	345,000	16,485	361,485	926,155
2051	-	-	-	360,000	8,550	368,550	368,550
	$ 20,545,000	$ 11,765,236	$ 32,310,236	$ 6,535,000	$ 2,713,537	$ 9,248,537	$ 41,558,774

(a) Interest calculated at the rates shown on the inside cover page hereof.

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TABLE 3 – TAXABLE ASSESSED VALUE

2017 Certified Taxable Assessed Valuation	$	46,423,367	(a)
2018 Certified Taxable Assessed Valuation	$	71,151,553	(a)
2019 Certified Taxable Assessed Valuation	$	109,243,281	(a)
2020 Certified Taxable Assessed Valuation	$	159,212,530	(a)
Preliminary Taxable Assessed Valuation (as of May 11, 2021)	$	241,904,280	(b)
Gross Debt Outstanding (after issuance of the Bonds)	$	27,080,000	(c)
Ratio of Net Direct Debt to 2020 Certified Taxable Assessed Valuation		17.01%	
Ratio of Net Direct Debt to Preliminary Taxable Assessed Valuation (as of May 11, 2021)		11.19%	
2020 Tax Rates:			
Debt Service	$	0.6501	
Maintenance	$	0.1999	
Total	$	0.8500	(d)
Operating Fund Balance (as of June 2, 2021)	$	832,461	(e)
Debt Service Fund Balance (as of June 2, 2021)	$	1,901,490	(e)
Capital Projects Fund Balance (as of June 2, 2021)	$	679,409	(e)

Area of District: 468.131 Acres
Estimated Population as of May 1, 2021: 2,205 [f]

(a) Certified Taxable Assessed Valuation of the District as estimated by the Williamson Central Appraisal District ("WCAD"). See "TAXING PROCEDURES."
(b) Preliminary Taxable Assessed Valuation as provided by WCAD is shown for purposes of illustration only. As of May 11, 2021. Taxes are levied based on value as certified by WCAD as of January 1 of each year. Consequently, this estimate will not be used to produce tax revenues for the District.
(c) Includes the Bonds.
(d) The District levied its 2020 tax rate in September 2020.
(e) Unaudited as of June 2, 2021. Neither Texas law nor the Bond Order requires that the District maintain any particular balance in the District's Debt Service Fund. Approximately $659,280 of the capital projects fund has been approved by the TCEQ for use, together with proceeds of the Bonds, to purchase certain water, wastewater and drainage facilities from the Developer. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
(f) Based upon 3.5 residents per completed single family home.

TABLE 4 – UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Water, Wastewater & Drainage	11/5/2013	$ 93,000,000	$ 20,690,000	$ 6,535,000	$ 65,775,000
Recreational Facilities	11/5/2013	15,500,000	-	-	15,500,000
Refunding	11/5/2013	162,750,000	-	-	162,750,000
Roads	11/4/2014	7,000,000	-	-	7,000,000
Total		$ 278,250,000	$ 20,690,000	$ 6,535,000	$ 251,025,000

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE DISTRICT . . . Under Texas law, the District is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC); (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund or their respective successors; (8) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (the "PFIA") (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for District deposits; or (ii) that are invested by the District through a depository institution that has its main office or a branch office in the State of Texas and otherwise meets the requirements of the PFIA; (9) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State of Texas; (10) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (11) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that complies with Securities and Exchange Commission Rule 2a-7; and (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and either has a duration of one year or more or is invested exclusively in obligations described in the this paragraph or has a duration of less than one year and the investment portfolio is limited to investment grade securities; excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

A political subdivision such as the District may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

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

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

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund, groups methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

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

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

CURRENT INVESTMENTS . . . On June 2, 2021, the District had $832,461 of operating funds, $1,901,490 of debt service funds and $679,409 of capital projects funds. All funds are held by ABC Bank in checking accounts, money market accounts or certificates of deposit or TexPool.

ESTIMATED OVERLAPPING DEBT STATEMENT . . . Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from several sources, including information contained in "Texas Municipal Reports," published by the Municipal Advisory Council of Texas. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the dates stated in this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. Political subdivision overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance and/or general revenue purposes in addition to taxes of debt service and the tax burden for operation, maintenance and/or general purposes is not included in these figures.

Taxing Jurisdiction	Total Tax Supported Debt	Estimated % Applicable	District's Overlapping Tax Supported Debt as of 4/30/2021
Williamson County	$ 963,095,000	0.22%	$ 2,118,809
Williamson County ESD #4	-	0.99%	-
Georgetown Independent School District	411,765,000	1.33%	5,476,475
The District	27,080,000	100.00%	27,080,000 [(a)]
Total Direct and Overlapping Tax Supported Debt			$ 34,675,284
Ratio of Direct and Overlapping Tax Supported Debt to 2020 Certified TAV			21.78%

(a) Includes the Bonds.

TAX DATA

TABLE 5 – TAX RATE AND COLLECTIONS

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

Tax Year	Tax Rate	General Fund	Debt Service	Taxable Assessed Valuation[(a)]	Tax Levy[(b)]	% Total Collections[(b)]	As Of
2016	$ 0.8500	$ 0.6000	$ 0.2500	$ 30,085,540	$ 256,466	100.00%	9/30/2017
2017	0.8500	0.4500	0.4000	46,423,367	407,497	99.90%	9/30/2018
2018	0.8500	0.2900	0.5600	71,151,553	592,805	99.10%	9/30/2019
2019	0.8500	0.2750	0.5750	109,243,281	928,568	99.20%	9/30/2020
2020	0.8500	0.1999	0.6501	159,212,530	1,353,307	N/A	N/A

(a) Assessed Valuation reflects the certified value as reported by the Williamson Central Appraisal District.
(b) Unaudited.

TAX RATE LIMITATION . . . The District's tax rate for debt service on the Bonds is legally unlimited as to rate and amount.

MAINTENANCE TAX . . . The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for planning, maintaining, repairing and operating the District's improvements, if such maintenance tax is authorized by a vote of the District's electors. Such tax is in addition to taxes that the District is authorized to levy for paying principal of and interest on the Bonds, and any tax bonds that may be issued in the future. At an election held on November 5, 2013, voters within the District authorized a maintenance tax not to exceed $1.00/$100 assessed valuation. As shown above under "Table 3 – Taxable Assessed Value," the District levied a 2020 maintenance and operation tax of $0.1999/$100 assessed valuation. See "THE DISTRICT – General."

TABLE 6 – PRINCIPAL TAXPAYERS

The following list of principal taxpayers was provided by the Williamson Central Appraisal District based on the 2020 tax roll of the District, which reflects ownership as of January 1, 2020.

Taxpayer	Taxable Assessed Value	% of 2020 Taxable Assessed Valuation
Santa Rita KC, LLC[(a)]	$ 6,188,715	3.89%
Scott Felder Homes LLC[(b)]	5,528,553	3.47%
Santa Rita KC, LLC[(a)]	3,505,072	2.20%
Highland Homes-Austin LLC[(b)]	2,965,498	1.86%
Perry Homes LLC[(b)]	1,906,650	1.20%
Perry Homes LLC[(b)]	1,332,268	0.84%
EMKAY Inc.	1,295,221	0.81%
EHT of Texas LP	1,253,881	0.79%
Sitterle Homes Austin LLC[(b)]	1,166,220	0.73%
Scott Felder Homes LLC[(b)]	827,035	0.52%
	$ 25,969,113	16.31%

(a) The Developer and entities affiliated with the Developer. See "THE DEVELOPER – Description of the Developer" and "INVESTMENT CONSIDERATIONS – Dependence Upon Developer and Homebuilders" and – Housing Market Volatility."
(b) The designated taxpayers are concentrated in the homebuilding industry. See "THE DEVELOPER – Homebuilders" and "INVESTMENT CONSIDERATIONS – Dependence Upon Developer and Homebuilders" and "– Housing Market Volatility."

TAX ADEQUACY FOR DEBT SERVICE

The calculations shown below assume, solely for purposes of illustration, no increase or decrease in assessed valuation from the 2020 Certified Taxable Assessed Valuation and utilize tax rates adequate to service the District's total debt service requirements, including the Bonds (at the rates shown on the inside cover page). No available debt service funds are reflected in these computations. See "INVESTMENT CONSIDERATIONS – Impact on District Tax Rates."

Average Annual Debt Service Requirements on the Bonds (2021-2051) .... $ 1,340,606
$0.8864 Tax Rate on 2020 Certified Taxable Assessed Valuation of $159,212,530 @ 95% collections ...... $ 1,340,697

Maximum Annual Debt Service Requirements on the Bonds (2046) .... $ 1,578,705
$1.0438 Tax Rate on 2020 Certified Taxable Assessed Valuation of $159,212,530 @ 95% collections ...... $ 1,578,767

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TAXING 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, its other remaining outstanding bonds, and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS – Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year-to-year as described more fully herein under "THE BONDS – Source of and Security for Payment." Under Texas law, the Board is also authorized to levy and collect an ad valorem tax for the operation and maintenance of the District and its water and wastewater system and for the payment of certain contractual obligations, 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 "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Travis Central Appraisal District has the responsibility for appraising property for all taxing units within Williamson County, including the District. Such appraisal values are subject to review and change by the Williamson Central Appraisal Review Board (the "Appraisal Review Board").

Property Subject to Taxation by the District . . . ***General*:** Except for certain exemptions provided by State 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; however, no effort is expected to be made by the Appraisal District to include on a tax roll tangible or intangible personal property not devoted to commercial or industrial use. 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; income producing tangible personal property or mineral interest with a taxable value of less than $500; certain property used for the control of air, water or land pollution; solar and wind powered energy devices; certain non-profit cemeteries, farm products owned by the producer; and certain property owned by qualified charitable, religious, veterans, youth, or fraternal organizations, designated historical sites, travel trailers, and most individually owned automobiles. Goods, wares, ores and merchandise (other than oil, gas, or petroleum products) that are acquired in or imported into the state and forwarded out of state within 175 days thereafter are also exempt. Article VIII, Section 1-a of the Texas Constitution grants a $3,000 homestead exemption for all homesteads taxed by counties for farm-to-market roads and flood control purposes. Property owned by a disabled veteran or by the spouse of certain children of a deceased disabled veteran or a veteran who died while on active duty is partially exempt to between $5,000 and $12,000 of assessed value 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 value 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 on the same or subsequently qualified homestead of the total appraised value of the same property to which the disabled veteran's exemption applied. The surviving spouse of a member of the armed services who was killed in action is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead where certain conditions are met and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. Also partially exempt are residence homesteads of certain persons who are disabled or at least 65 years old, not less than $3,000 of appraised value or such higher amount as the Board or the District's voters may approve.

The District's tax assessor/collector is authorized by statute to disregard such exemptions for the elderly and disabled if granting the exemptions would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemptions by the District.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation if the exemption is adopted by the governing body of the political subdivision before July 1. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The District has never adopted a general homestead exemption.

Tax Abatement: Williamson County and the District may enter into tax abatement agreements with owners of real property within such zone. The tax abatement agreements may exempt from ad valorem taxation by the applicable taxing jurisdiction for a period of up to ten years, all or any part of the increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. To date, the District has not executed any abatement agreements.

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

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

VALUATION OF PROPERTY FOR TAXATION . . . Generally, property in the District must be appraised by the WCAD 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 rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price that such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the 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 Property Tax Code requires the WCAD to implement a plan for periodic reappraisal of property. The plan must provide for appraisal of all real property in the WCAD at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the WCAD or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the WCAD chooses formally to include such values on its appraisal roll.

DISTRICT AND TAXPAYER REMEDIES . . . Under certain circumstances taxpayers and taxing units (such as the District), may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury, if requested by any party. Additionally, taxing units may bring suit against the WCAD to compel compliance with the Property Tax Code.

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

LEVY AND COLLECTION OF TAXES . . . The District is responsible for the levy and collection of its taxes unless it elects to transfer the collection functions to another governmental entity. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board based upon the valuation of property within the District as of the preceding January 1. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%)

regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to fifteen percent (15%) if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances.

The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

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 tax year that is 2.5 cents or less per $100 of taxable value are classified as "Low Tax Rate Districts." 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 are classified as "Developing Districts" (or "Other Districts"). The impact each classification has on the ability of a district to increase its total 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 in excess of 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 required to hold a rollback 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 the Special Taxing Unit is the current tax year's debt service and contract tax rates plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

Developed Districts

Developed Districts that adopt a total tax rate in excess of 1.035 times the amount of the total tax rate 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 and any unused increments authorized by the Tax Code for the preceding tax year, are required to hold a rollback 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 the Developed District is the current year's debt service and contract tax rates plus 1.035 times the previous year's operation and maintenance tax rate. If a district qualifies as both a Low Tax Rate District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Low Tax Rate Districts. 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 or Other Districts

The qualified voters of these districts, upon the 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 a rollback election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rates plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

The District

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis, beginning with the 2020 tax year at the time a district sets its tax rate. For the 2020 tax year, the Board of Directors has designated District a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new rollback election calculation.

DISTRICT'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the District are a personal obligation of the owner of the property on January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement." 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 (a taxpayer may redeem property within two years after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. See "INVESTMENT CONSIDERATIONS – General – Tax Collections and Foreclosure Remedies."

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

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

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

LEGAL MATTERS

LEGAL OPINIONS . . . Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District. Issuance of the Bonds is also subject to the legal opinion of McCall, Parkhurst & Horton L.L.P. ("Bond Counsel"), based upon examination of a transcript of the proceedings incident to authorization and issuance of the Bonds, to the effect that the Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel's legal opinion will also address the matters described below under "TAX MATTERS." Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the District.

The legal fees to be paid 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.

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

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

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 condition (financial or otherwise) of the District from that set forth or contemplated in the Official Statement.

TAX MATTERS

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

In rendering its opinion, Bond Counsel to the District will rely upon (a) the District's federal tax certificate and (b) covenants of the District with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the District to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

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

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

A ruling was not sought from the Internal Revenue Service by the District with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the District that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

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

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

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

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

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

COLLATERAL FEDERAL INCOME TAX CONSEQUENCES . . . The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

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

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

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

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

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

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

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

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CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following agreement for the benefit of the registered and beneficial owners. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB") through its electronic municipal market access system. Information will be available free of charge by the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

ANNUAL REPORTS . . . The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under Tables 1 through 6 and in APPENDIX A. The District will update and provide this information within six months after the end of each fiscal year. The District will file the updated information with the MSRB.

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

The District's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 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.

NOTICE OF CERTAIN EVENTS . . . The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR § 240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

For the purposes of the events described in clauses (15) and (16) of the preceding paragraph, the term "Financial Obligation" is defined in the Bond Order to mean (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, and existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The Bond Order further provides that the District intends the words in such clauses (15) and (16) in the preceding paragraph and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 29, 2018.

The District will also provide timely notice of any failure by the District to provide annual financial information in accordance with their agreement described above under "– Annual Reports."

AVAILABILITY OF INFORMATION FROM THE MSRB . . . The District has agreed to provide the foregoing information only to the MSRB. All documents provided by the District to the MSRB described above under "Annual Reports" and "Notice of Certain Events" will be in an electronic format and accompanied by identifying information as prescribed by the MSRB and will be available to the public free of charge at www.emma.msrb.org.

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

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

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

FINANCIAL ADVISOR

The Official Statement was compiled and edited under the supervision of Specialized Public Finance Inc. (the "Financial Advisor"), which firm was retained as Financial Advisor to the District in 2011. The fees paid to the Financial Advisor for services rendered in connection with the issuance and sale of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered, and therefore such fees are contingent on the sale and delivery of the Bonds. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the issuer and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT

PREPARATION . . . The District has no employees but engages various professionals and consultants to assist the District in the day-to-day activities of the District. See "THE DISTRICT." The Board of Directors in its official capacity has relied upon the below mentioned experts and sources in preparation of this Official Statement. The information in this Official Statement was compiled and edited by the Financial Advisor. In addition to compiling and editing such information, the Financial Advisor has obtained the information set forth herein under the captions indicated from the following sources:

"THE DISTRICT," "THE DEVELOPER" – Santa Rita KC, LLC; "THE SYSTEM"; "UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED" – Records of the District ("Records"), "FINANCIAL STATEMENT" – Williamson Central Appraisal District; "ESTIMATED OVERLAPPING DEBT STATEMENT" – Municipal Advisory Council of Texas and Financial Advisor; "TAX DATA" and "OPERATING REVENUES AND EXPENSES STATEMENT" – Audits, Records and Tax Assessor/Collector; "MANAGEMENT" – District Directors; "DEBT SERVICE REQUIREMENTS" – Financial Advisor; "THE BONDS," "LEGAL MATTERS," "TAXING PROCEDURES," "CONTINUING DISCLOSURE OF INFORMATION" (except in the subheading "Compliance with Prior Undertakings") and "TAX MATTERS" – McCall, Parkhurst & Horton L.L.P.

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

The District Engineer: The information contained in the Official Statement relating to engineering matters and to the description of the System and, in particular, that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM," has been provided by Carlson, Brigance & Doering, Inc., and has been included in reliance upon the authority of said firm in the field of civil engineering.

Auditor: The District's financial statements for fiscal year ending September 30, 2020 were audited by McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, and excerpts of the District's Audited Financial Statements as of September 30, 2020 have been included as APPENDIX A in reliance upon such firm's authority in the field of accounting.

UPDATING THE OFFICIAL STATEMENT DURING UNDERWRITING PERIOD . . . If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide and Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds as described in the Notice of Sale under the heading "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Delivery." The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule), unless the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule.

CERTIFICATION AS TO OFFICIAL STATEMENT . . . The District, acting by and through its Board of Directors in its official capacity in reliance upon the experts listed above, hereby certifies, as of the date hereof, that to the best of its knowledge and belief, the information, statements and descriptions pertaining to the District and its affairs herein contain no untrue statements of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information, description and statements concerning entities other than the District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the District has made no independent investigation or verification of such matters and makes no representation as to the accuracy or completeness thereof. Except as set forth in "CONTINUING DISCLOSURE OF INFORMATION" herein, the District has no obligation to disclose any changes in the affairs of the District and other matters described in this Official Statement subsequent to the "end of the underwriting period" which shall end when the District delivers the Bonds to the Initial Purchaser at closing, unless extended by the Initial Purchaser. All information with respect to the resale of the Bonds subsequent to the "end of the underwriting period" is the responsibility of the Initial Purchaser.

OFFICIAL STATEMENT "DEEMED FINAL" . . . For purposes of compliance with the Rule, this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein "deemed final" by the District as of the date hereof (or of any such supplement or correction) except for the omission of certain information referred to in the succeeding paragraph.

The Official Statement, when further supplemented by adding information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "FINAL OFFICIAL STATEMENT" of the District with respect to the Bonds, as that term is defined in the Rule.

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

This Official Statement was approved by the Board of Directors of Williamson County Municipal Utility District No. 19A, as of the date shown on the first page hereof.

/s/ ROBERT J. LIVERMAN
President, Board of Directors
Williamson County Municipal Utility District No. 19A

/s/ COLIN M. PARKER
Secretary, Board of Directors
Williamson County Municipal Utility District No. 19A

LOCATION MAP

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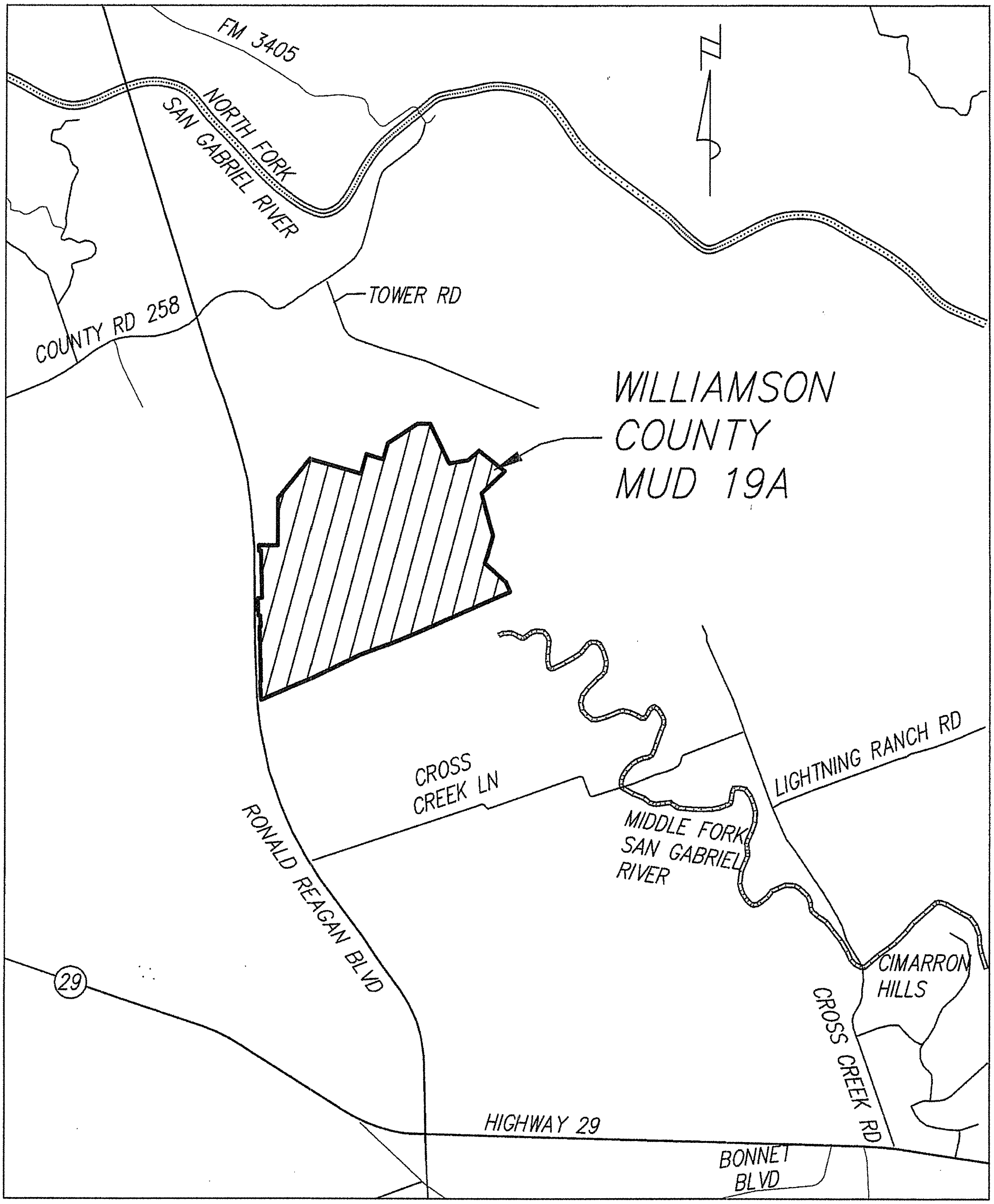

LOCATION MAP

(NOT TO SCALE)

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PHOTOGRAPHS

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

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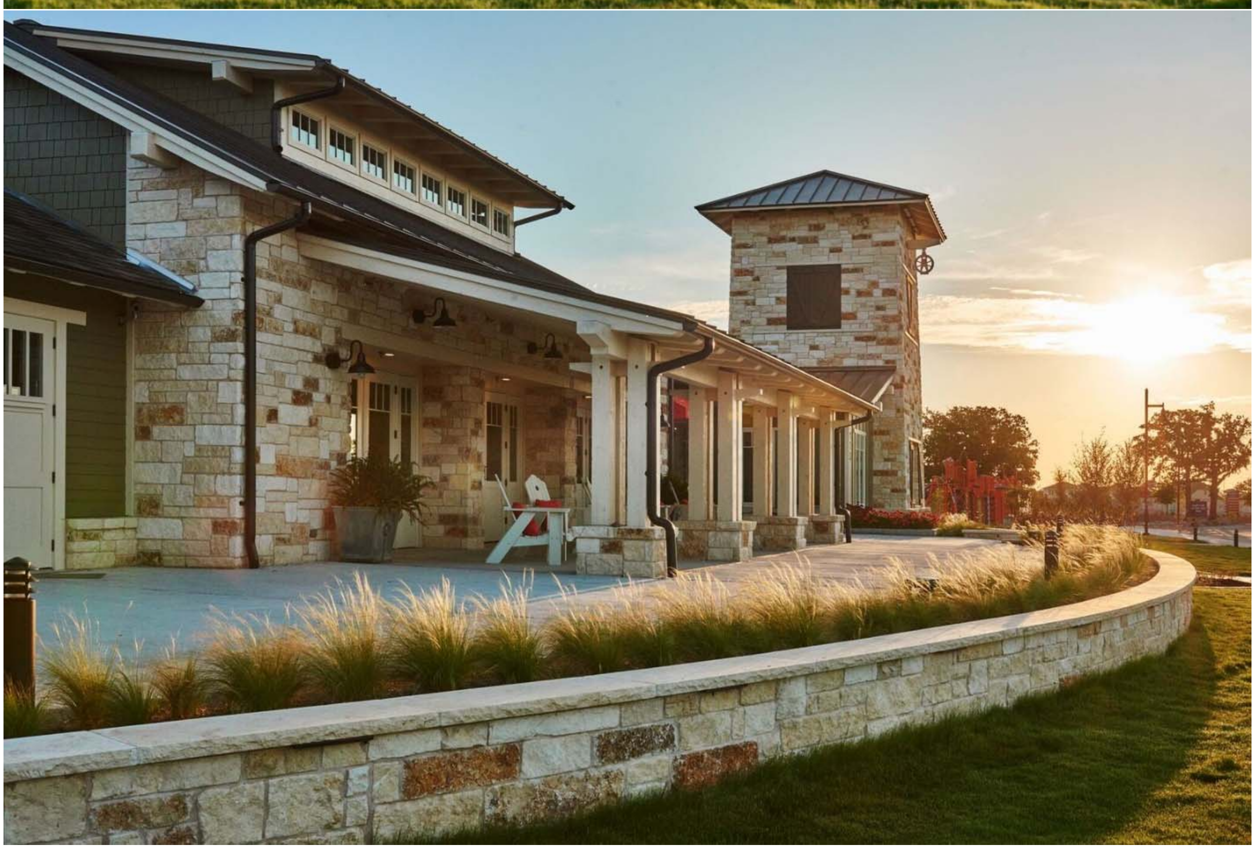
RANCH HOUSE
INFORMATION CENTER




WILSHIRE HOMES
512-655-9563



INFORMATION
CENTER
CASTLEROCK
SANTA RITA RANCH


David Weekley
Homes

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APPENDIX A

Audited Financial Statements

The information contained in this appendix has been excerpted from the audited financial statements of Williamson County Municipal Utility District No. 19A for the fiscal year ended September 30, 2020. Certain information not considered to be relevant to this financing has been omitted; however, complete audit reports are available upon request.

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McCALL GIBSON SWEDLUND BARFOOT PLLC
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Board of Directors
Williamson County Municipal Utility District No. 19A
Williamson County, Texas

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities and each major fund of Williamson County Municipal Utility District No. 19A (the "District"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
Williamson County Municipal Utility District No. 19A

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* and the Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Texas Supplementary Information and the Other Supplementary Information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

February 3, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 19A
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of Williamson County Municipal Utility District No. 19A (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2020. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the District's basic financial statements that follow.

FINANCIAL HIGHLIGHTS

- *General Fund*: At the end of the current fiscal year, the nonspendable and unassigned fund balance was $504,526, an increase of $276,466 from the previous fiscal year. General Fund revenues increased from $406,106 in the previous fiscal year to $494,055 in the current fiscal year primarily due to an increase in the District's assessed valuation.
- *Debt Service Fund*: At the end of the current fiscal year, the fund balance restricted for debt service increased from $765,507 in the prior fiscal year to $1,048,202 as of September 30, 2020. Debt Service Fund revenues (including other financing sources) totaled $779,866 in the current fiscal year while expenditures totaled $497,171.
- *Capital Projects Fund*: Fund balance restricted for capital projects decreased from $515,803 in the prior fiscal year to $253,217 as of September 30, 2020. In conjunction with the Board's approval to use approximately $519,000 of surplus funds from previously issued Series 2016, 2018 and 2019 bonds and the issuance of $4,110,000 of Series 2020 Unlimited Tax Bonds, the District expended $3,452,424 to reimburse the developer for construction costs pertaining to the water, wastewater and drainage system and prior year operating advances, paid $366,338 for developer interest and funded $441,723 in bond issuance costs during the current fiscal year.
- *Governmental Activities*: On a government-wide basis for governmental activities, the District had expenses net of revenues of $463,190 during the current fiscal year. Net position decreased from a deficit balance of $2,296,942 at September 30, 2019 to a deficit balance of $2,760,132 at September 30, 2020.

OVERVIEW OF THE DISTRICT

The District was created on February 15, 2011, when Williamson County Municipal Utility District No. 19, which was originally created by special act of the 78th Texas Legislature of the State of Texas, Regular Session, H.B. 3524 (2005) on September 1, 2005, in accordance with Article XVI, Section 59 of the Constitution of the State of Texas (the "State") and with Chapter 54 of the Texas Water Code, was divided into two separate districts.

USING THIS ANNUAL REPORT

This annual report consists of five parts:

1. *Management's Discussion and Analysis* (this section)
2. *Basic Financial Statements*
3. *Required Supplementary Information*
4. *Texas Supplementary Information* (required by the Texas Commission on Environmental Quality (the TSI section))
5. *Other Supplementary Information* (the OSI section)

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary Statement of Net Position

	Governmental Activities 2020	Governmental Activities 2019	Change Increase (Decrease)
Current and other assets	$ 1,923,696	$ 1,602,510	$ 321,186
Capital and non-current assets	10,663,208	7,534,069	3,129,139
Total Assets	$ 12,586,904	$ 9,136,579	$ 3,450,325
Current liabilities	$ 291,391	$ 220,856	$ 70,535
Long-term liabilities	15,055,645	11,212,665	3,842,980
Total Liabilities	$ 15,347,036	$ 11,433,521	$ 3,913,515
Net investment in capital assets	$ (3,958,575)	$ (2,775,311)	$ (1,183,264)
Restricted for debt service	986,202	711,027	275,175
Unrestricted	212,241	(232,658)	444,899
Total Net Position	$ (2,760,132)	$ (2,296,942)	$ (463,190)

The District's net position decreased by $463,190 to a deficit balance of $2,760,132 from the previous year's deficit balance of $2,296,942. The deficit balance is primarily a result of the District's bond issues during the current and prior fiscal years totaling $15,015,000 of which $14,870,000 of related principal remains outstanding at September 30, 2020.

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

Revenues and Expenses:

Summary Statement of Activities

	Governmental Activities 2020	Governmental Activities 2019	Change Increase (Decrease)
Property taxes, including penalties	$ 1,007,280	$ 616,028	$ 391,252
Drainage fees	174,000	171,000	3,000
Interest and other revenue	14,808	46,637	(31,829)
Total Revenues	$ 1,196,088	$ 833,665	$ 362,423
Professional fees	$ 88,398	$ 105,262	$ (16,864)
Water/wastewater reservation fees	77,072	126,055	(48,983)
Recurring operating	56,025	29,094	26,931
Developer interest	366,338	298,832	67,506
Debt service	894,997	728,485	166,512
Depreciation	176,448	113,050	63,398
Total Expenses	$ 1,659,278	$ 1,400,778	$ 258,500
Change in Net Position	$ (463,190)	$ (567,113)	$ 103,923
Beginning Net Position	(2,296,942)	(1,729,829)	(567,113)
Ending Net Position	$ (2,760,132)	$ (2,296,942)	$ (463,190)

Revenues were $1,196,088 for the fiscal year ended September 30, 2020 while expenses were $1,659,278. Net position decreased $463,190 for the fiscal year ended September 30, 2020.

Property tax revenues in the current fiscal year totaled $1,007,280, up from $616,028 during fiscal year 2019. Property tax revenue is derived from taxes being levied based upon the assessed value of real and personal property within the District. Property taxes levied for the 2019 tax year (September 30, 2020 fiscal year) were based upon a current assessed value of $109,938,920 and a tax rate of $0.85 per $100 of assessed valuation. Property taxes levied for the 2018 tax year (September 30, 2019 fiscal year) were based upon an adjusted assessed value of $70,681,693 and a tax rate of $0.85 per $100 of assessed valuation.

The tax rate levied is determined after the District's Board of Directors reviews the General Fund budget requirements and the Debt Service Fund debt service obligations of the District. The District's primary revenue sources during fiscal year 2020 were property taxes and drainage fees.

ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds by Year

	2020	2019	2018
Cash and cash equivalents	$ 1,799,098	$ 1,594,690	$ 995,261
Taxes receivable	54,031	5,171	79
Other	125,962	16,216	2,274
Total Assets	$ 1,979,091	$ 1,616,077	$ 997,614
Accounts payable and other	$ 119,115	$ 101,536	$ 77,759
Total Liabilities	$ 119,115	$ 101,536	$ 77,759
Deferred Inflows of Resources	$ 54,031	$ 5,171	$ 79
Nonspendable	$ 781	$ 72	$ 317
Restricted	1,301,419	1,281,310	839,853
Unassigned	503,745	227,988	79,606
Total Fund Balance	$ 1,805,945	$ 1,509,370	$ 919,776
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,979,091	$ 1,616,077	$ 997,614

As of September 30, 2020, the District's governmental funds reflected a combined fund balance of $1,805,945. For the year ended September 30, 2020, fund balance increased by $276,466 and $282,695 in the General Fund and Debt Service Fund, respectively, and decreased by $262,586 in the Capital Projects Fund.

CAPITAL ASSETS

At September 30, 2020, the District's governmental activities have invested $10,663,208 in land and easements and water, wastewater, and drainage system infrastructure. The detail is reflected in the following schedule:

Summary of Capital Assets, net

	9/30/2020	9/30/2019
Land and easements	$ 302,589	$ 302,589
Water/Wastewater/Drainage Facilities	10,772,561	7,466,974
Less: Accumulated Depreciation	(411,942)	(235,494)
Total Net Capital Assets	$ 10,663,208	$ 7,534,069

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

LONG-TERM DEBT

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

	Bonds Payable
Series 2016	$ 3,955,000
Series 2018	3,175,000
Series 2019	3,630,000
Series 2020	4,110,000
Total	$ 14,870,000

The District owes approximately $15 million to bond holders. During the year, the District paid principal of $75,000 and interest of $417,242 on outstanding bond principal. The ratio of the District's long-term debt to total 2019 taxable assessed valuation ($109,938,920) is 13.5%. The District's estimated population, as provided by the District as of September 1, 2020, was 1,736. More detailed information about the District's long-term debt is presented in the *Notes to the Financial Statements*.

BUDGETARY HIGHLIGHTS

The General Fund pays for daily operating expenditures. The Board of Directors adopted a budget on September 4, 2019 for the 2020 fiscal year. The budget included projected revenues of $355,319 as compared to expenditures of $297,627. When comparing actual results to budget, the District had a positive variance of $218,774. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information.*

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The net property tax assessed value for 2020 (September 30, 2021 fiscal year) is approximately $165 million. The fiscal year 2021 tax rate is $0.85 on each $100 of taxable value. Approximately 24% of the property tax will fund general operating expenses and approximately 76% of the property tax will be set aside for debt service.

The adopted budget for fiscal year 2021 projects a $179,331 increase to the operating fund balance. Compared to the fiscal year 2020 budget, revenues are expected to increase by approximately $67,000 and expenditures are expected to decrease by approximately $55,000.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Armbrust & Brown, PLLC, 100 Congress Ave., Suite 1300, Austin, TX 78701.

FINANCIAL STATEMENTS

WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 19A
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Net Position
ASSETS						
Cash and cash equivalents:						
Cash	$ 81,332	$ -	$ -	$ 81,332	$ -	$ 81,332
Cash equivalents	411,273	1,047,279	259,214	1,717,766	-	1,717,766
Receivables:						
Property taxes	23,360	30,671	-	54,031	-	54,031
Drainage fees	21,000	-	-	21,000	-	21,000
Interfund	54,429	966	-	55,395	(55,395)	-
Prepaid expenditures	781	-	48,786	49,567	-	49,567
Capital assets, net of accumulated depreciation:						
Land and easements	-	-	-	-	302,589	302,589
Water/wasterwater/drainage facilities	-	-	-	-	10,360,619	10,360,619
TOTAL ASSETS	$ 592,175	$ 1,078,916	$ 308,000	$ 1,979,091	10,607,813	12,586,904
LIABILITIES						
Accounts payable	$ 63,323	$ 43	$ 354	$ 63,720	-	63,720
Accrued bond interest payable	-	-	-	-	92,671	92,671
Interfund payables	966	-	54,429	55,395	(55,395)	-
Long-term liabilities -						
Due to developer	-	-	-	-	315,645	315,645
Bonds payable:						
Due within one year	-	-	-	-	135,000	135,000
Due after one year	-	-	-	-	14,740,000	14,740,000
TOTAL LIABILITIES	64,289	43	54,783	119,115	15,227,921	15,347,036
DEFERRED INFLOWS OF RESOURCES						
Property taxes	23,360	30,671	-	54,031	(54,031)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	23,360	30,671	-	54,031	(54,031)	-
FUND BALANCES / NET POSITION						
Fund balances:						
Nonspendable	781	-	-	781	(781)	-
Restricted for:						
Debt service	-	1,048,202	-	1,048,202	(1,048,202)	-
Authorized construction	-	-	253,217	253,217	(253,217)	-
Unassigned	503,745	-	-	503,745	(503,745)	-
TOTAL FUND BALANCES	504,526	1,048,202	253,217	1,805,945	(1,805,945)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 592,175	$ 1,078,916	$ 308,000	$ 1,979,091		
Net position:						
Net investment in capital assets					(3,958,575)	(3,958,575)
Restricted for debt service					986,202	986,202
Unrestricted					212,241	212,241
TOTAL NET POSITION					$ (2,760,132)	$ (2,760,132)

WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 19A
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Activities
REVENUES:						
Property taxes, including penalties	$ 317,373	$ 641,047	$ -	$ 958,420	$ 48,860	$ 1,007,280
Drainage fees	174,000	-	-	174,000	-	174,000
Interest and other	2,682	10,078	2,048	14,808	-	14,808
TOTAL REVENUES	$ 494,055	$ 651,125	$ 2,048	$ 1,147,228	$ 48,860	$ 1,196,088
EXPENDITURES / EXPENSES:						
Current:						
Water/wastewater reservation fees	$ 77,072	$ -	$ -	$ 77,072	$ -	$ 77,072
Repairs/maintenance	14,959	-	-	14,959	-	14,959
Utilities	8,248	-	-	8,248	-	8,248
Director fees, including payroll taxes	7,751	-	-	7,751	-	7,751
Legal fees	46,703	-	-	46,703	-	46,703
Bookkeeping fees	16,850	-	-	16,850	-	16,850
Audit fees	11,000	-	-	11,000	-	11,000
Engineering fees	13,845	-	-	13,845	-	13,845
Other consulting fees	15,988	-	-	15,988	-	15,988
Insurance	2,855	-	-	2,855	-	2,855
Tax appraisal/collection fees	1,868	3,906	-	5,774	-	5,774
Public notice	415	-	-	415	-	415
Other	35	-	-	35	-	35
Developer interest	-	-	366,338	366,338	-	366,338
Prior year operating advances	-	-	146,837	146,837	(146,837)	-
Debt service:						
Principal	-	75,000	-	75,000	(75,000)	-
Interest	-	417,242	-	417,242	35,009	452,251
Fiscal agent fees	-	1,023	-	1,023	-	1,023
Bond issuance costs	-	-	441,723	441,723	-	441,723
Capital outlay	-	-	3,305,587	3,305,587	(3,305,587)	-
Depreciation	-	-	-	-	176,448	176,448
TOTAL EXPENDITURES / EXPENSES	$ 217,589	$ 497,171	$ 4,260,485	$ 4,975,245	$ (3,315,967)	$ 1,659,278
Excess (deficiency) of revenues over (under) expenditures / expenses	$ 276,466	$ 153,954	$ (4,258,437)	$ (3,828,017)	$ 3,364,827	$ (463,190)
OTHER FINANCING SOURCES/(USES):						
Issuance of bonds	$ -	$ 128,741	$ 3,981,259	$ 4,110,000	$ (4,110,000)	$ -
Bond discount	-	-	(38,214)	(38,214)	38,214	-
Bond premium	-	-	52,806	52,806	(52,806)	-
TOTAL OTHER FINANCING SOURCES, NET	$ -	$ 128,741	$ 3,995,851	$ 4,124,592	$ (4,124,592)	$ -
NET CHANGE IN FUND BALANCES	$ 276,466	$ 282,695	$ (262,586)	$ 296,575	$ (296,575)	$ -
CHANGE IN NET POSITION					(463,190)	(463,190)
FUND BALANCES / NET POSITION:						
Beginning of the year	228,060	765,507	515,803	1,509,370	(3,806,312)	(2,296,942)
End of the year	$ 504,526	$ 1,048,202	$ 253,217	$ 1,805,945	$ (4,566,077)	$ (2,760,132)

The accompanying notes are an integral part of this statement.

NOTES TO THE
FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Williamson County Municipal Utility District No. 19A (the "District") relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles ("GAAP") as applied to governmental entities. GAAP for local governments includes those principles prescribed by the Governmental Accounting Standards Board ("GASB"), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity - The District was created on February 15, 2011, when Williamson County Municipal Utility District No. 19, which was originally created by special act of the 78th Texas Legislature of the State of Texas, Regular Session, H.B. 3524 (2005) on September 1, 2005, in accordance with Article XVI, Section 59 of the Constitution of the State of Texas and with Chapter 54 of the Texas Water Code, was divided into two separate districts. The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the "Board") which has been elected by District residents or appointed by the Board. The District is not included in any other governmental "reporting entity" as defined by the GASB since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units included in the District's reporting entity.

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

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

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

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

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

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

- **General Fund -** The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.

- **Debt Service Fund -** The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

- **Capital Projects Fund -** The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

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

Basis of Accounting

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

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

The District may report unearned revenues on its combined balance sheet. Unearned revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the balance for unearned revenues is removed from the combined balance sheet and revenue is recognized.

***Budgets and Budgetary Accounting* -** An unappropriated budget was initially adopted on September 4, 2019, for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board utilizes the budget as a management tool for planning and cost control purposes. The budget was not amended during the current fiscal year. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current fiscal year.

***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.

***Pensions* -** The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that Directors are considered to be “employees” for federal payroll tax purposes.

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

***Prepaid Expenditures* -** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures in both the government-wide and fund financial statements. Prepaid expenditures shall be charged to expenditures when consumed.

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

***Capital Assets* -** Capital assets are reported in the government-wide column in the Statement of Net Position. Public domain ("infrastructure") capital assets, including water, wastewater and drainage facilities, are capitalized. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at their estimated acquisition value at the time received. In accordance with GASB Statement No. 89, interest incurred during construction of capital assets is not capitalized.

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

Asset	Years
Water, wastewater, and drainage facilities	50

***Long-Term Debt* -** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government-wide Statement of Net Position. Bond premiums and original issue discounts are deferred over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in both the government-wide and the fund financial statements.

***Ad Valorem Property Taxes* -** Property taxes, penalties, and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District. Allowances for uncollectible property taxes within the General Fund and Debt Service Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

***Fund Equity* -** The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

- Nonspendable **-** Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

- Restricted **-** Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

- Committed **-** Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board. The District had no such amounts.

- Assigned **-** For the General Fund, amounts that are appropriated by the Board that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed. The District had no such amounts.

- Unassigned **-** Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balances is included in the Governmental Funds Balance Sheet on page FS-1.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board may also assign fund balance for a specific purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

2. RECONCILIATION OF THE GOVERNMENTAL FUNDS

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

Fund Balances - Total Governmental Funds		$ 1,805,945
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Capital assets	$ 11,075,150	
Less: Accumulated depreciation	(411,942)	10,663,208
Revenue is recognized when earned in the government-wide statements, regardless of availability. Governmental funds report deferred inflows of resources for revenues earned but not available.		54,031
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	$ (14,870,000)	
Bond discounts/premiums, net of accumulated amortization	(5,000)	
Due to developer	(315,645)	
Accrued interest	(92,671)	(15,283,316)
Net Position - Governmental Activities		$ (2,760,132)

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

Net Change in Fund Balances - Total Governmental Funds		$ 296,575
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report:		
Capital expenditures in the period purchased	$ 3,305,587	
Interest expenditures in year paid	(34,784)	
Repayment of developer advances in year paid	146,837	
Tax revenue in year collected	48,860	
Bond principal in year paid	75,000	
Bond proceeds in year received, net of discount/premium	(4,124,592)	(583,092)
Governmental funds do not report:		
Depreciation	(176,448)	
Amortization of bond discounts/premiums	(225)	(176,673)
Change in Net Position - Governmental Activities		$ (463,190)

3. CASH AND CASH EQUIVALENTS

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

Cash - At September 30, 2020, the carrying amount of the District's deposits was $81,332 and the bank balance was $81,470. The bank balance was covered by FDIC insurance.

Cash Equivalent Investments -

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

- Money market mutual funds are required to have weighted average maturities of 90 days or fewer; and

- Other mutual fund investments are required to have weighted average maturities of less than two years.

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

- Obligations of the United States government and/or its agencies and instrumentalities;

- Money market mutual funds with investment objectives of maintaining a stable net asset value of $1 per share;

- Mutual funds rated in one of the three highest categories by a nationally recognized rating agency;

- Securities issued by a state or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency; or

- Public funds investment pools rated AAA or AAAm by a nationally recognized rating agency.

3. CASH AND CASH EQUIVALENTS (continued) -

At September 30, 2020, the District held the following cash equivalents:

		Governmental Fund			Investment Rating	
		General	Debt Service	Capital Projects		
Investment	Fair Value at 9/30/2020	Unrestricted	Restricted (1)	Restricted (2)	Rating	Rating Agency
TexPool	$ 1,717,766	$ 411,273	$ 1,047,279	$ 259,214	AAAm	Standard & Poors
	$ 1,717,766	$ 411,273	$ 1,047,279	$ 259,214		

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

(2) Restricted for purchase of capital assets.

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

Concentration of Credit Risk - In accordance with the District's investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2020, the District did not own any investments in individual securities.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The government's investment policy requires that the District's deposits be fully insured by FDIC insurance or collateralized with obligations of the United States or its agencies and instrumentalities. As of September 30, 2020, the District's bank deposits were fully covered by FDIC insurance.

4. PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Williamson Central Appraisal District established assessed value of real and personal property within the District in accordance with requirements of the Texas Legislature. The District levies taxes based upon the assessed values. The Williamson County Tax Assessor Collector bills and collects the District's property taxes. The Board set current tax rates on September 4, 2019.

4. PROPERTY TAXES (continued) -

The property tax rates, established in accordance with state law, were based on 100% of the net assessed taxable valuation of real property within the District on the 2019 tax roll. The tax rate, based on total assessed taxable valuation of $109,938,920, was $0.85 on each $100 of taxable valuation and was allocated $0.275 to the General Fund and $0.575 to the Debt Service Fund. The maximum allowable maintenance tax of $1.00 was established by the voters on November 6, 2012.

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

	General Fund	Debt Service Fund	Total
Current year levy	$ 2,334	$ 4,881	$ 7,215
Prior years' levies	900	1,737	2,637
Rollbacks	20,126	24,053	44,179
	$ 23,360	$ 30,671	$ 54,031

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

5. INTERFUND ACCOUNTS

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

	Interfund Receivable	Interfund Payable
General Fund:		
Debt Service Fund	$ -	$ 966
Capital Projects Fund	54,429	-
Debt Service Fund -		
General Fund	966	-
Capital Projects Fund -		
General Fund	-	54,429
	$ 55,395	$ 55,395

6. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Capital assets not being depreciated - Land and easements	$ 302,589	$ -	$ -	$ 302,589
Capital assets being depreciated - Water/wastewater/drainage facilities	$ 7,466,974	$ 3,305,587	$ -	$10,772,561
Less accumulated depreciation for - Water/wastewater/drainage Facilities	(235,494)	(176,448)	-	(411,942)
Total capital assets being depreciated, net of accumulated depreciation	$ 7,231,480	$ 3,129,139	$ -	$10,360,619
Total capital assets, net	$ 7,534,069	$ 3,129,139	$ -	$10,663,208

7. LONG-TERM DEBT

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

	Unlimited Tax Bonds
Bonds payable at September 30, 2019	$10,835,000
Bonds issued	4,110,000
Bonds retired	(75,000)
Less: Bond premiums/discounts, net of accumulated amortization	5,000
Bonds payable at September 30, 2020	$14,875,000

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

<u>Unlimited Tax Bonds:</u>

$3,955,000 **-** 2016 Unlimited Tax Bonds payable serially through the year 2046 at interest rates which range from 2.50% to 5.00%. The District may redeem prior to maturity bonds maturing on and after August 15, 2025 in whole or from time to time in part, on August 15, 2024 or any date thereafter. Term bonds maturing on August 15, 2032, 2035, 2039, and 2046 are subject to mandatory sinking fund redemption.

7. LONG-TERM DEBT (continued) -

Unlimited Tax Bonds (continued):

$3,175,000 **-** 2018 Unlimited Tax Bonds payable serially through the year 2048 at interest rates which range from 2.50% to 4.00%. The District may redeem prior to maturity bonds maturing on and after August 15, 2024 in whole or from time to time in part, on August 15, 2023 or any date thereafter. Term bonds maturing on August 15, 2039, 2043, and 2048 are subject to mandatory sinking fund redemption.

$3,630,000 **-** 2019 Unlimited Tax Bonds payable serially through the year 2049 at interest rates which range from 3.00% to 6.00%. The District may redeem prior to maturity bonds maturing on and after August 15, 2025 in whole or from time to time in part, on August 15, 2024 or any date thereafter. Term bonds maturing on August 15, 2034, 2036, 2038, 2040, 2042, 2046 and 2049 are subject to mandatory sinking fund redemption.

$4,110,000 **-** 2020 Unlimited Tax Bonds payable serially through the year 2050 at interest rates which range from 2.50% to 5.00%. The District may redeem prior to maturity bonds maturing on and after August 15, 2026 in whole or from time to time in part, on August 15, 2025 or any date thereafter. Term bonds maturing on August 15, 2033, 2036, 2040, 2044 and 2049 are subject to mandatory sinking fund redemption.

On June 4, 2020, the District issued $4,110,000 of Series 2020 Unlimited Tax Bonds with interest rates ranging from 2.50% to 5.00%. The net proceeds of $3,688,512 (after payment of the bond discount and other bond related costs) were deposited with the District's investment accounts to finance water, wastewater and drainage facilities and other infrastructure costs and to pay for future bond interest and subsequent bond issuance costs.

The annual requirements to amortize all bonded debt at September 30, 2020, including interest, are as follows:

	Annual Requirements for All Series		
Year Ended September 30,	Principal	Interest	Total
2021	$ 135,000	$ 560,495	$ 695,495
2022	275,000	532,076	807,076
2023	295,000	520,600	815,600
2024	310,000	508,150	818,150
2025	320,000	493,875	813,875
2026-2030	1,855,000	2,270,572	4,125,572
2031-2035	2,305,000	1,912,431	4,217,431
2036-2040	2,920,000	1,470,737	4,390,737
2041-2045	3,675,000	887,675	4,562,675
2046-2050	2,780,000	227,843	3,007,843
	$ 14,870,000	$ 9,384,454	$ 24,254,454

7. LONG-TERM DEBT (continued) -

The total amount of bonds approved by the voters of the District but not issued as of September 30, 2020, are as follows:

Type	Amount	
Unlimited Tax Bonds	$	77,985,000
Park and Recreational Bonds	$	15,500,000
Refunding Bonds	$	162,750,000

At September 30, 2020, $1,048,202 is available in the Debt Service Fund to service the bonded debt.

8. COMMITMENTS AND CONTINGENCIES

The developer of the land within the District has incurred costs for construction of facilities, as well as costs pertaining to the creation and operation of the District. Claims for reimbursement of construction costs and operational advances will be evaluated upon receipt of adequate supporting documentation and proof of contractual obligation. Such costs may be reimbursable to the developer by the District from proceeds of future District bond issues, subject to approval by the Texas Commission on Environmental Quality, or from operations. On November 6, 2012, a bond election held within the District approved authorization to issue $93,000,000 of bonds to fund costs for water, wastewater and drainage system facilities. Additionally, $15,500,000 of bonds to fund costs for parks and recreational facilities were approved by voters of the District. As of September 30, 2020, the District has issued $15,015,000 of unlimited tax bonds to reimburse the developer for District construction and creation costs. As of September 30, 2020, the District has not issued any bonds to reimburse the developer for recreational facilities. At September 30, 2020, the District has $315,645 outstanding in developer advances which were used to fund operating activities of the District.

9. RISK MANAGEMENT

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

The TML Pool was established by various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board. Rates are estimated to include all claims expected to occur during the policy including claims incurred but not reported. The TML Pool has established claims reserves for each of the types of insurance offered. Although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contribution rate for subsequent years. Members may receive returns of contributions if actual results are more favorable than estimated.

10. USE OF SURPLUS FUNDS

On December 4, 2019, the District's Board of Directors authorized the use of surplus funds from the previously issued Series 2016, 2018 and 2019 bond issues to finance $507,168 of developer funded construction costs and pay application report and other issuance costs.

11. SUBSEQUENT EVENT

On December 10, 2020, the District issued $5,675,000 of Series 2020A Unlimited Tax Bonds. Proceeds of the bonds were used to reimburse a developer within the District for certain water, wastewater and drainage facilities and fund capitalized interest on the bonds and pay bond issue costs. The Series 2020A bonds were sold with interest rates ranging from 2.00% to 2.40% and principal maturities through August 2050.

12. UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

REQUIRED
SUPPLEMENTARY INFORMATION

WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 19A
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	Actual	Original and Final Budget	Variance Positive (Negative)
REVENUES:			
Property taxes, including penalties	$ 317,373	$ 300,819	$ 16,554
Drainage fees	174,000	54,000	120,000
Interest and other	2,682	500	2,182
TOTAL REVENUES	$ 494,055	$ 355,319	$ 138,736
EXPENDITURES:			
Current:			
Water/wastewater reservation fees	$ 77,072	$ 126,043	$ 48,971
Repairs/maintenance	14,959	50,000	35,041
Utilities	8,248	1,650	(6,598)
Director fees, including payroll taxes	7,751	9,684	1,933
Legal fees	46,703	60,000	13,297
Bookkeeping fees	16,850	17,550	700
Audit fees	11,000	11,000	-
Engineering fees	13,845	15,000	1,155
Other consulting fees	15,988	-	(15,988)
Insurance	2,855	3,000	145
Tax appraisal/collection fees	1,868	1,600	(268)
Public notice	415	-	(415)
Other	35	2,100	2,065
TOTAL EXPENDITURES	$ 217,589	$ 297,627	$ 80,038
NET CHANGE IN FUND BALANCE	$ 276,466	$ 57,692	$ 218,774
FUND BALANCE:			
Beginning of the year	228,060		
End of the year	$ 504,526		

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APPENDIX B

Form of Bond Counsel Opinion

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[*An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.*]

WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 19A
UNLIMITED TAX BONDS, SERIES 2021
IN THE AGGREGATE PRINCIPAL AMOUNT OF $6,535,000

AS BOND COUNSEL FOR WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 19A (the "District") of the bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which bear interest from the dates specified in the text of the Bonds, until maturity or redemption, at the rates and payable on the dates specified in the text of the Bonds all in accordance with the order of the Board of Directors of the District adopted on July 7, 2021 authorizing the issuance of the Bonds (the "Bond Order").

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the District, including the Bond Order and other documents authorizing and relating to the issuance of the Bonds; and we have examined various certificates and documents executed by officers and officials of the District upon which certificates and documents we rely as to certain matters stated below. We have also examined one of the executed Bonds (Bond Numbered T-1) and specimens of Bonds to be authenticated and delivered in exchange for the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been duly authorized, issued and delivered in accordance with law; and that said Bonds, except as the enforceability thereof may be limited by laws relating to governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted related to creditors' rights generally or by general principle of equity which permit the exercise of judicial discretion, constitute valid and legally binding obligations of the District, payable from ad valorem taxes without legal limit as to rate or amount to be levied and collected by the District upon taxable property within the District, which taxes the District has covenanted to levy in an amount sufficient (together with revenues and receipts from other sources which are legally available for such purposes) to pay the interest on and the principal of the Bonds. Such covenant to levy taxes is subject to the right of a city, under existing Texas law, to annex all of the territory within the District; to take over all properties and assets of the District; to assume all debts, liabilities, and obligations of the District, including the Bonds; and to abolish the District.

THE DISTRICT reserves the right to issue additional bonds which will be payable from taxes; bonds, notes, and other obligations payable from revenues; and bonds payable from contracts with other persons, including private corporations, municipalities, and political subdivisions.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the District with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the District to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer. We observe that the District has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the District, and, in that capacity, we have been engaged by the District for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the District, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the District as to the current outstanding indebtedness of and the assessed valuation of taxable property within the District. Our role in connection with the District's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

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<u>APPENDIX C</u>

Specimen Municipal Bond Insurance Policy

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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)

SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES