OFFICIAL STATEMENT DATED OCTOBER 11, 2023

In the opinion of Bond Counsel, under existing law, assuming continuing compliance by the District (defined herein) after the date of initial delivery of the Bonds described below (the "Bonds") with certain covenants contained in the Bond Order (defined below) authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), and (2) will not be an item of tax preference for purposes of the alternative minimum tax; however, such interest may be taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. See "TAX MATTERS" herein.

The Bonds are designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions."

NEW ISSUE—BOOK-ENTRY ONLY — **RATINGS: Underlying "Baa3" Moody's**
CUSIP Prefix No. 22769M — **Insured "AA" (stable outlook) S&P**
See "MUNICIPAL BOND RATING" and "BOND INSURANCE" herein

$7,180,000
CROSSWINDS MUNICIPAL UTILITY DISTRICT
(A political subdivision of the State of Texas, located in Hays County, Texas)
UNLIMITED TAX ROAD BONDS
SERIES 2023A

Dated: November 1, 2023 — **Due: April 1 (as shown below)**

Interest on the $7,180,000 Unlimited Tax Road Bonds, Series 2023A (the "Bonds") will accrue from November 1, 2023, and will be payable on April 1 and October 1 of each year, commencing April 1, 2024. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (identified herein) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. The initial Paying Agent/Registrar for the Bonds is UMB Bank, N.A. in Austin, Texas. See "THE BONDS – Paying Agent/Registrar."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM").

BAM
BUILD AMERICA MUTUAL

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES

Principal Amount	Maturity (April 1)	Interest Rate	Yield to Maturity(a)	Principal Amount	Maturity (April 1)	Interest Rate	Yield to Maturity(a)
$160,000	2026	7.000%	4.30%	$275,000	2037(b)	4.750%	4.85%
$170,000	2027	7.000%	4.30%	$290,000	2038(b)	4.750%	4.90%
$180,000	2028	7.000%	4.30%	***	***	***	***
$185,000	2029	7.000%	4.30%	$370,000	2043(b)	4.875%	5.01%
$195,000	2030(b)	7.000%	4.30%(c)	$390,000	2044(b)	4.875%	5.02%
$205,000	2031(b)	6.500%	4.30%(c)	$405,000	2045(b)	4.875%	5.03%
***	***	***	***	$430,000	2046(b)	4.875%	5.04%
$240,000	2034(b)	4.500%	4.60%	$450,000	2047(b)	4.875%	5.05%
$250,000	2035(b)	4.500%	4.70%	$470,000	2048(b)	4.875%	5.06%
$265,000	2036(b)	4.625%	4.80%	$495,000	2049(b)	4.875%	5.07%

$445,000 4.500% Term Bond Due April 1, 2033 to Yield 4.50% (a) (b) (d)
$625,000 4.750% Term Bond Due April 1, 2040 to Yield 4.95% (a) (b) (d)
$685,000 4.875% Term Bond Due April 1, 2042 to Yield 5.00% (a) (b) (d)

(a) The initial reoffering yields are established by and are the sole responsibility of the Initial Purchaser (defined herein) and may be subsequently changed.
(b) The Bonds maturing on or after April 1, 2030, are subject to redemption in whole or from time to time in part, at the option of the District, on April 1, 2029, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS – Optional Redemption."
(c) Yield shown to first optional redemption date of April 1, 2029.
(d) Subject to mandatory sinking fund redemption as described herein. See "THE BONDS – Mandatory Redemption."

The proceeds of the Bonds will be used by Crosswinds Municipal Utility District (the "District") to: (1) reimburse the Developer (defined herein) for advancing funds to construct certain road facilities serving the District and related land acquisition and engineering costs; (2) fund developer interest related to the advancement of funds for certain costs; (3) fund $179,500 of capitalized interest on the Bonds; and (4) pay certain administrative costs and costs related to the issuance of the Bonds. See "USE OF BOND PROCEEDS."

The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of a continuing, direct, 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 obligations solely of the District and are not obligations of the State of Texas, Hays County, the City of Kyle, or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas, Hays County, or the City of Kyle are pledged to the payment of the principal of, or interest on, the Bonds. **The Bonds are subject to certain investment considerations described under the caption "RISK FACTORS."**

The Bonds are offered when, as, and if issued by the District, subject to approval by the Attorney General of Texas and the approval of certain legal matters by Winstead PC, Austin, Texas, Bond Counsel. The District will be advised on certain legal matters concerning disclosure by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Disclosure Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about November 9, 2023.

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USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the District.

This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not registered or qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Any information and expressions of opinion herein contained are subject to change and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof.

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, and engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Winstead PC, 401 Congress Avenue, Suite 2100, Austin, TX, 78701, 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 will, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. However, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, the other matters described in this Official Statement until delivery of the Bonds to the Initial Purchaser (hereinafter defined) and thereafter only as specified in "OFFICIAL STATEMENT – Updating of Official Statement."

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

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM 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 BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX C – Specimen Municipal Bond Insurance Policy."

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid producing the lowest net effective interest rate to the District, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser"), to purchase the Bonds bearing the rates shown on the cover page of this Official Statement at a price of 97.002621% of par plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 5.098322%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

The Initial Purchaser may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower than the public offering prices stated on the cover page hereof. The initial offering prices may be changed from time to time by 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 number of the Bonds of each maturity have 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 and has no control over trading of the Bonds after their initial sale by the District. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

THE PRICES AND OTHER TERMS RESPECTING 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 OF

THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The 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 special 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.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The 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.

CONTINUING DISCLOSURE OF INFORMATION - SEC RULE 15c2-12

In the order authorizing the issuance of the Bonds (the "Bond Order"), the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain events, to the Municipal Securities Rulemaking Board (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") System.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB. The information to be updated with respect to the District includes the quantitative financial information and operating data of the general type included in "DISTRICT DEBT" (except for "Estimated Overlapping Debt"), "DISTRICT TAX DATA," and "APPENDIX A" (Audited Financial Statements of the District) of this Official Statement. The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2023. The District will provide the updated information to EMMA.

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 it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, the District shall provide unaudited financial statements for the applicable fiscal year to each EMMA within such six-month period, and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

Event Notices

The District will provide timely notices of certain events to the MRSB, 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 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 a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District, any of which reflect financial difficulties. "Financial obligation" in the immediately preceding paragraphs (15) and (16) means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order make any provisions for debt service reserves, liquidity enhancement, the pledge of property (other than ad valorem tax revenues) to secure payment of the Bonds, or appointment of a trustee. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from EMMA

The District has agreed to provide the foregoing updated information only to the information vendors described above. The information will be available to holders of Bonds only if the holders comply with the procedures and pay the charges established by such information vendors or obtain the information through securities brokers who do so. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.org.

Limitations and Amendments

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

No default by the District with respect to its continuing disclosure agreement shall constitute a breach of or default under the Bond Order for purposes of any other provision of the Bond Order. Nothing in this paragraph is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws. The District's undertakings and agreements are subject to appropriation of necessary funds and to applicable legal restrictions.

The District may amend its continuing disclosure agreement from time to time to adapt to the 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, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments and interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may amend or repeal the agreement in the Bond Order if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not have prevented the Initial Purchaser from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

During the last five years, the District has complied in all material aspects with its previous continuing disclosure agreements in accordance with SEC Rule 15c2-12.

MUNICIPAL BOND RATING

In connection with the sale of the Bonds the District made application to Moody's Investors Service, Inc. ("Moody's") which assigned a rating of "Baa3" on the Bonds based upon the District's underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from Moody's. The rating reflects only the view of Moody's and the District makes no representation as to the appropriateness of such rating. The District can make no assurance that the Moody's rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by Moody's if in the judgment of Moody's circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

S&P Global Ratings ("S&P") has assigned its municipal bond rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by BAM. The District can make no assurance that the S&P rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. See "BOND INSURANCE."

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") 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.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds 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 Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $486.0 million, $204.5 million and $281.5 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

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

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement. The reader should refer particularly to sections that are indicated for more complete information.

THE BONDS

Description: The $7,180,000 Unlimited Tax Road Bonds, Series 2023A (the "Bonds"), are dated November 1, 2023. The Bonds represent the sixth series of bonds to be issued by the District and the third of such bonds to be issued for the purpose of constructing or acquiring a road system to serve the District. The Bonds mature on April 1 in the years and in the principal amounts set forth on the cover page of this Official Statement. The Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, including but not limited to Chapters 49 and 54, Texas Water Code, as amended, an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District, and an election held within the District. See "THE BONDS."

Source of Payment: The Bonds are payable from a continuing, direct, annual ad valorem tax upon all taxable property within the District which, under Texas law, is not limited as to rate or amount. The Bonds are obligations of the District and are not obligations of the State of Texas, Hays County, the City of Kyle, or any other political subdivision or agency. See "THE BONDS – Source of and Security for Payment."

Redemption Provisions: The Bonds maturing on or after April 1, 2030, are subject to early redemption in whole or in part from time to time at the option of the District, on April 1, 2029, or on any date thereafter at the option of the District at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Optional Redemption." The Bonds maturing on April 1 in the years 2033, 2040, and 2042 are Term Bonds and are subject to annual mandatory sinking fund redemption. See "THE BONDS – Mandatory Redemption."

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

Payment Record: The District has previously issued two (2) series of unlimited tax road bonds and three (3) series of unlimited tax utility bonds, of which $19,560,000 principal amount was outstanding as of September 1, 2023 (the "Outstanding Bonds"). The District has never defaulted in the payment of principal of or interest on the Outstanding Bonds. See "DISTRICT DEBT."

Use of Bond Proceeds: Proceeds from the sale of the Bonds will be used by the District to: (1) reimburse the Developer (hereinafter defined) for advancing funds to construct certain road facilities serving the District and related land acquisition and engineering costs; (2) fund developer interest related to the advancement of funds for certain costs; (3) fund $179,500 of capitalized interest on the Bonds; and (4) pay certain administrative costs and costs related to the issuance of the Bonds. See "USE OF BOND PROCEEDS."

Qualified Tax Exempt Obligations: The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Internal Revenue Code of 1986, as amended, and represents that the total amount of tax-exempt bonds (including the Bonds) issued by the District during calendar year 2023 is not reasonably expected to exceed $10,000,000. See "TAX MATTERS."

Municipal Bond Rating: In connection with the sale of the Bonds the District made application to Moody's which assigned a rating of "Baa3" on the Bonds based upon the District's underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from Moody's. The rating reflects only the view of Moody's and the District makes no representation as to the appropriateness of such rating. See "MUNICIPAL BOND RATING."

Bond Insurance: S&P has assigned its municipal bond rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by BAM. See "MUNICIPAL BOND RATING," "BOND INSURANCE" and "APPENDIX C – Specimen Municipal Bond Insurance Policy."

Legal Opinion: Winstead PC, Bond Counsel, Austin, Texas. See "LEGAL MATTERS" and "TAX MATTERS."

Paying Agent/Registrar: UMB Bank, N.A., Austin, Texas. See “THE BONDS – Paying Agent/Registrar.”

Rick Factors: The Bonds are subject to certain investment considerations, as set forth in this Official Statement. Prospective purchasers should carefully examine this Official Statement with respect to the investment security of the Bonds, particularly the sections captioned "RISK FACTORS" and "LEGAL MATTERS."

THE DISTRICT

Authority: The District is a municipal utility district created by an Act of the 83rd Texas Legislative Session effective June 14, 2013 (codified as Chapter 8468, Texas Special District Local Laws Code). The District was created pursuant to the authority of Article XVI, Section 59 of the Texas Constitution and operates pursuant thereto, to Article III, Section 52 of the Texas Constitution, and to Chapters 49 and 54, Texas Water Code, as amended. In 2015, the 84th Texas Legislature amended the District’s powers to add, among other matters, road powers pursuant to Article III, Section 52 of the Texas Constitution. See "THE DISTRICT – Authority."

Description and Location: The District, as it was originally created, included approximately 445 acres. Since its creation, the District has not excluded any tracts of land and has not annexed any tracts of land. The District is located in eastern Hays County, Texas and is further located approximately five (5) miles northeast of the central business district of the City of Kyle, Texas (the “City”) and approximately 20 miles south of the central business district of the City of Austin, Texas. The District lies south of Windy Hill Road (County Road 131) and approximately two (2) miles east of Interstate Highway 35. The District is located entirely within the exclusive extraterritorial jurisdiction of the City and within Hays Consolidated Independent School District. Residents gain access to the District by traveling north from the central business district of the City on Interstate Highway 35, east on Windy Hill Road (County Road 131), and south on Crosswinds Parkway. See “THE DISTRICT – Description and Location.”

Development of the District: The District is being developed for single-family residential purposes in the subdivision known as Crosswinds. Homebuilding in the District has taken place in Crosswinds, Phases 1, 2, 3A, 4A, 5, and 6A. As of September 1, 2023, the District included approximately 542 completed homes, approximately 110 homes under construction, and approximately 581 vacant developed lots. According to the Developer (defined herein), of the 652 homes that were either complete or under construction, approximately 607 homes were either occupied by homeowners or had been sold to a homebuyer and seven (7) homes were being used as model homes. Additionally, Crosswinds, Phase 6B is currently under development and is expected to contain 90 single-family residential lots based on current land plans; such lots are expected to be available for homebuilding during the second or third quarter of 2024. See "THE DISTRICT – Status of Residential Development" and “APPENDIX B – PHOTOGRAPHS TAKEN IN THE DISTRICT.”

Summary of Land Uses: As of September 1, 2023, the District included approximately 203 acres that have been developed with utilities and improved for single-family residential purposes, approximately 16 acres that are currently under development, approximately 19 acres available for future development, and approximately 207 undevelopable acres, which includes all of the land within the District that is not attributable to a single-family residential lot, including a detention pond, drainage easements, pump stations, road rights-of-way, water and wastewater plant sites, open space, park and recreational facilities, and a recreational and amenity center serving the District’s residents. See “THE DISTRICT – Summary of Land Use.”

The Developer: The original developer of the District was EB Windy Hill LP, a Texas limited partnership, who sold its interest in the property to Development Solutions CW, LLC, a Delaware limited liability company and a special purpose entity created solely for the purpose of developing the land within the District and marketing developed lots and developed tracts of land in the District. On December 13, 2021, the assets and certain obligations of Development Solutions CW, LLC were acquired by CF CSLK XWIND, LLC, a Delaware limited liability company (herein the “Developer”). The Developer is a special purpose entity created solely for the purpose of developing the land within the District and marketing developed lots and developed tracts of land in the District. The sole member of the Developer (the “Sole Member”) is controlled by a private investment manager.

The Developer has entered into a development management agreement on December 13, 2021 (herein the “Management Agreement”) with SR Capital Management (previously Crosswinds Allegiant Development, LLC and referred to herein as the “Development Manager”) to provide for management of the day-to-day land development activities associated with the initiation and completion of the land development project within the District. These management activities include pre-development coordination and supervision of Developer’s consultants and professionals, execution of the approved project plans and specifications, and supervising lot marketing and sales. The Development Manager includes several individuals that have worked together on real estate investments over the course of the last several years. Management of the Development Manager is handled by James A. Siepiela and Gregory L. Rich, who have the primary responsibility for managing the affairs thereof. Mr. Siepiela and Mr.

Rich have a combined 85 years of experience developing projects in Texas and have worked together on land development projects for over 30 years. See “THE DISTRICT’S DEVELOPER.”

Homebuilders: Homes in Crosswinds, Phases 1, 2, 3A, 4A, 5, and 6A are being constructed on 40-foot, 50-foot, and 60-foot lots and have been, or are currently being constructed by Highland Homes, Meritage Homes, Pacesetter Homes, Gehan Homes, Milestone Homes, Perry Homes, and Pulte Homes (the “Homebuilders”). Homes in the District have been, or are currently being marketed in the $210,000 - $600,000 price range. See “THE DISTRICT – Status of Residential Development,” “THE DISTRICT’S DEVELOPER – The Homebuilders,” and “DISTRICT TAX DATA – Principal Taxpayers.”

Water and Wastewater Facilities Agreement: Water supply and wastewater treatment facilities serving the District are provided by the City pursuant to the terms of an agreement (the “Water and Wastewater Agreement”) entered into on July 30, 2015, and to continue for a period of 30 years. The term of the Water and Wastewater Agreement may be extended by mutual agreement of the District and the City. The Water and Wastewater Agreement provides that the Developer (on behalf of the District) or the District will construct all of the system improvements located within the District, and certain off-site system improvements, according to all of the appropriate regulatory standards. All of the system improvements needed to serve Crosswinds, Phases 1, 2, 3A, 4A, 5, and 6A have been constructed by the Developer and approved by the City. The system improvements for Crosswinds, Phase 6B are currently under construction and the system improvements for Crosswinds, Phase 3B are in the design phase. The Water and Wastewater Agreement provides that as the system improvements in the District and the off-site improvements are completed by the Developer and approved by the City, such improvements are conveyed by the District to the City. The District will maintain an ownership interest in the capacity of water and wastewater system to ensure water and wastewater service. The Water and Wastewater Agreement provides for certain cost-sharing, and development related fee credits between the City, the District, and the Developer.

The Water and Wastewater Agreement requires the City to provide the District with water supply capacity from the City’s system (as defined in the Water and Wastewater Agreement) capable of serving 1,500 living unit equivalents (“LUEs”). Additional system improvements, such as the construction of a water supply tower and other improvements, must be made by the Developer, on behalf of the District, in order for the City to provide the District with water supply capacity in excess of 500 LUE’s. The Water and Wastewater Agreement requires the City to provide the District with wastewater capacity from the City’s system (as defined in the Water and Wastewater Agreement) capable of serving 1,500 LUEs. In order to satisfy the requirements for receiving water supply capacity in excess of 500 LUEs, the District has awarded construction contracts for a 150,000-gallon elevated storage tank and a 180,000-gallon ground storage tank, including a pump station, all appurtenances, site grading, and security site fencing improvements in aid thereof. The City currently has adequate permitted wastewater treatment capacity to serve the ultimate buildout of the Crosswinds subdivision. The District has satisfied all of the conditions in the Water and Wastewater Agreement necessary for the District to have access to the wastewater treatment and disposal capacities noted above. See “THE SYSTEM – Water Supply and Wastewater Treatment Facilities Serving the District.”

Drainage System: The underground storm sewer facilities to serve Crosswinds, Phases 1, 2, 3A, 4A, 5, and 6A are complete. The natural course of drainage in the District flows in a southerly direction and eventually outfalls into Plum Creek. The District’s drainage system currently includes collection systems, detention facilities, and drainage channels that accommodate the conveyance, detention, release and discharge of stormwater within the District. See “THE SYSTEM – Drainage System.”

SELECTED FINANCIAL INFORMATION
(Unaudited)

8/1/2023 Estimated Taxable Value	$260,084,100	(a)
2023 Certified Taxable Value	$232,368,301	(b)
Direct Debt:		
Outstanding Bonds (as of September 1, 2023)	$19,560,000	
The Bonds	$7,180,000	
Total Direct Debt	$26,740,000	
See "DISTRICT DEBT"		
Estimated Overlapping Debt	$12,101,809	(c)
Direct and Estimated Overlapping Debt	$38,841,809	(c)
Percentage of Direct Debt to:		
8/1/2023 Estimated Taxable Value	10.28%	
2023 Certified Taxable Value	11.51%	
See "DISTRICT DEBT"		
Percentage of Direct and Estimated Overlapping Debt to:		
8/1/2023 Estimated Taxable Value	14.93%	
2023 Certified Taxable Value	16.72%	
See "DISTRICT DEBT"		
2023 Tax Rate Per $100 of Assessed Value:		
Utility Debt Service Tax	$0.25	
Road Debt Service Tax	$0.32	
Maintenance Tax	$0.33	
Total 2023 Tax Rate	$0.90	
Cash and Temporary Investment Balances as of September 13, 2023:		
General Fund	$2,255,690	(d)
Utility Debt Service Fund	$796,462	(e)
Road Debt Service Fund	$591,320	(e) (f)

(a) Reflects data supplied by the Hays Central Appraisal District ("Hays CAD" or the "Appraisal District"). The Estimated Taxable Value as of August 1, 2023, was prepared by Hays CAD and provided to the District. Such value is not binding on Hays CAD. Any new value since January 1, 2023 will not be included on the District's tax roll until the 2024 tax roll is prepared and certified by Hays CAD during the second half of 2024. The District is authorized by law to levy taxes only against certified values. See "DISTRICT TAX DATA" and "TAXING PROCEDURES."

(b) Reflects the January 1, 2023 Certified Taxable Value according to data supplied to the District by Hays CAD. Such value excludes $6,673,759 of uncertified taxable value that is still in the certification process. See "DISTRICT TAX DATA" and "TAXING PROCEDURES."

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

(d) Unaudited figure per the District's records. See "THE SYSTEM – General Fund Operating History."

(e) Unaudited figures per the District's records. Neither Texas law nor the District's Bond Order require that the District maintain any particular balance in the Utility Debt Service Fund or the Road Debt Service Fund. The cash and investment balances in the Utility Debt Service Fund are not available to make debt service payments on the Bonds. Likewise, the cash and investment balances in the Road Debt Service Fund will not be available to make debt service payments on the District's utility bonds. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue" and "THE BONDS – Funds."

(f) The cash and investment balance in the Road Debt Service Fund includes $179,500 of capitalized interest to be funded with proceeds of the Bonds and to be deposited into such fund on the date of delivery of the Bonds. See "USE OF BOND PROCEEDS."

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements on the District's Outstanding Bonds and the debt service requirements for the Bonds.

Year	Existing Debt Service Requirements	Debt Service Requirements on the Bonds Principal	Debt Service Requirements on the Bonds Interest	Total Debt Service Requirements
2024	$980,755	-	$336,061	$1,316,816
2025	$1,195,255	-	$366,613	$1,561,867
2026	$1,182,292	$160,000	$361,013	$1,703,305
2027	$1,222,930	$170,000	$349,463	$1,742,392
2028	$1,207,117	$180,000	$337,213	$1,724,330
2029	$1,197,817	$185,000	$324,438	$1,707,255
2030	$1,196,286	$195,000	$311,138	$1,702,423
2031	$1,195,705	$205,000	$297,650	$1,698,355
2032	$1,233,992	$215,000	$286,150	$1,735,142
2033	$1,231,217	$230,000	$276,138	$1,737,354
2034	$1,227,664	$240,000	$265,563	$1,733,226
2035	$1,223,151	$250,000	$254,538	$1,727,689
2036	$1,217,595	$265,000	$242,784	$1,725,379
2037	$1,265,210	$275,000	$230,125	$1,770,335
2038	$1,251,002	$290,000	$216,706	$1,757,708
2039	$1,245,429	$305,000	$202,575	$1,753,004
2040	$1,267,291	$320,000	$187,731	$1,775,023
2041	$1,281,567	$335,000	$171,966	$1,788,533
2042	$1,269,438	$350,000	$155,269	$1,774,706
2043	$1,256,128	$370,000	$137,719	$1,763,847
2044	$1,270,978	$390,000	$119,194	$1,780,171
2045	$1,288,344	$405,000	$99,816	$1,793,159
2046	$1,268,914	$430,000	$79,463	$1,778,376
2047	$1,067,550	$450,000	$58,013	$1,575,563
2048	$862,109	$470,000	$35,588	$1,367,696
2049	$705,281	$495,000	$12,066	$1,212,347
TOTALS	**$30,811,012**	**$7,180,000**	**$5,714,986**	**$43,705,998**

Maximum Annual Debt Service Requirements (2045) .... $1,793,159 (a)

Requires a $0.73 debt service tax rate on the August 1, 2023 Estimated Taxable Value of $260,084,100 at 95% collections .... $1,803,683 (a)

Requires a $0.82 debt service tax rate on the 2023 Certified Taxable Value of $232,368,301 at 95% collections .... $1,810,149 (a)

(a) A certain portion of the maximum annual debt service requirement will be paid for with the District's road debt service tax rate and a certain portion will be paid for with the District's utility debt service tax rate. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue."

OFFICIAL STATEMENT

relating to

$7,180,000

CROSSWINDS MUNICIPAL UTILITY DISTRICT
(A political subdivision of the State of Texas located within Hays County, Texas)

UNLIMITED TAX ROAD BONDS
SERIES 2023A

INTRODUCTION

This Official Statement provides certain information in connection with the issuance of the $7,180,000 Crosswinds Municipal Utility District Unlimited Tax Road Bonds, Series 2023A (the "Bonds").

The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of Crosswinds Municipal Utility District (the "District"), and an election held within the District.

This Official Statement includes descriptions of the Bonds, the Bond Order and certain information about the District and its financial condition and the developers in the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from General Counsel (identified herein) to the District upon payment of duplication costs thereof.

RISK FACTORS

General

The Bonds are obligations of the District and are not obligations of the State of Texas, Hays County, the City of Kyle (the "City"), or any other political subdivision. The Bonds are payable from a continuing, direct, annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District. See "THE BONDS – Source of and Security for Payment." The investment quality of the Bonds depends on the ability of the District to collect all taxes levied against the taxable property within the District and, in the event of foreclosure of the District's tax lien, on the marketability of the property and the ability of the District to sell the property at a price sufficient to pay taxes levied by the District and by other overlapping taxing authorities. The District cannot and does not make any representations that over the life of the Bonds the taxable property within the District will accumulate or maintain taxable values sufficient to justify the continued payment of taxes by property owners.

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 of the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are more generally bought, sold or traded in the secondary market.

Tax Collections

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be impaired by: (a) repetitive, annual, expensive collection procedures, (b) a federal bankruptcy court's stay of tax collection procedures, or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding.

Registered Owners' Remedies

If the District defaults in the payment of principal of, interest on, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's governmental immunity from suits for money damages. Even if such governmental immunity were waived and a judgment against the District for money damages were obtained, the 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 to enforce the tax lien on taxable property to pay the principal of, and interest on, the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by 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

The enforceability of the rights and remedies of the 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. Specifically, the District may voluntarily file a petition for protection from creditors under the federal bankruptcy laws. During the pendency of the bankruptcy proceedings, the remedy of mandamus would not be available to the Registered Owners unless authorized by a federal bankruptcy judge.

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (a) is generally authorized to file for federal bankruptcy protection by the State law; (b) is insolvent or unable to meet its debts as they mature; (c) desires to effect a plan to adjust such debts; and (d) has either obtained the agreement of, or negotiated in good faith with, its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Note, however, that Texas law requires a conservation and reclamation district such as the District to obtain approval from the Texas Commission on Environmental Quality (the "TCEQ") as a condition to seeking relief under the Federal Bankruptcy Code.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby invoking the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be appealable, the concomitant delay and loss of remedies to the Registered Owners could potentially and adversely impair the value of the Registered Owners' 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 Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against the district.

The District may not be placed into bankruptcy involuntarily.

Approval of the Bonds

As required by law, 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 safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement.

Economic Factors

Long-term interest rates affect home purchasers' ability to qualify for and afford the total financing costs of a new home. The return of long-term interest rates at higher levels may negatively affect home sales and the maintenance of taxable values in the District.

Alternative sites are available for the construction of single-family residential improvements within the market area in which the District is located. Such sites could pose competition to the continued homebuilding development on comparable sites within the District.

Landowners/Developer under No Obligation to the District

The Developer does not have any commitments or obligations 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. Currently, there is no restriction on the Developer's sale of its land. Failure to construct taxable improvements on developed lots (previously created or anticipated to be created by the Developer) and failure of the Developer to develop its land would restrict the rate of growth of taxable value in the District. The District is also dependent upon certain principal taxpayers for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of any of such principal taxpayers will be or what effect, if any, such conditions may have on their ability to pay taxes. See "DISTRICT TAX DATA – Principal Taxpayers."

Operating Funds

Landowners within the District receive water and wastewater service from the City. The District does not operate the water and wastewater system and therefore does not receive payments from customers for water and wastewater service on a monthly basis. Prior to May 13, 2021, pursuant to the terms and conditions of the lot sale contracts by and between the Developer and the Homebuilders and a resolution adopted by the District, the District received a water and wastewater service availability fee and a permit fee from the Homebuilders each time a tap was made for a residential home located in the District. The water and wastewater service availability fee of $4,500 per platted lot and permit fee of $1,000 per platted lot were intended to defray the costs of service availability and connection to the water and wastewater system within the District and fluctuated with homebuilding activity. Effective May 13, 2021, the District amended its resolution regarding the payment of water and wastewater service availability fees and permit fees payable by the Homebuilders to the District. The amended resolution terminated such requirement of the Homebuilders to pay the water and wastewater service availability fees and permit fees to the District and, therefore, the District no longer receives revenues from such fees into its General Fund.

The District levied a 2023 maintenance tax in the amount of $0.33 per $100 of assessed valuation. The revenue produced from the District's annual maintenance tax levy in the future must be sufficient to offset the operating expenses of the District. The District's 2023 maintenance tax levy amount is approximately $766,815, which will be deposited into the District's General Fund. As of September 13, 2023, the District's General Fund had an unaudited cash and investment balance of $2,255,690. For the fiscal year ending September 30, 2024, the District is currently budgeting General Fund expenditures of $530,320. Continued maintenance of a positive General Fund balance will depend upon development and increased amounts of maintenance tax revenue. If the District's General Fund balance is depleted, then the District will be required to levy a maintenance tax at a rate sufficient to fund its operating expenses. Such tax, when added to the District's debt service tax rates, may result in a total District tax which could adversely affect continued development of the District, as well as the willingness of the taxpayers in the District to pay taxes on their property. The District currently plans to manage its debt service and operating expenditure requirements with a total tax rate of $0.90 per $100 of assessed valuation. See "THE SYSTEM – General Fund Operating History."

Dependence on Major Taxpayers and the Developers

Certain of the District's principal taxpayers include the Developer and the Homebuilders, which collectively represent approximately $66,793,970 of assessed valuation, or approximately 27.93% of the District's 2023 certified assessed valuation. If the Developer and the Homebuilders were to default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax 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 Road Debt Service Fund or Utility Debt Service Fund. See "Tax Collections" herein, "TAX DATA – Principal Taxpayers" and "TAXING PROCEDURES – Assessment and Levy."

The Developer has informed the Board that its current plan is to continue marketing the existing vacant developed lots in the District to homebuilders and to undertake the development of additional land in the future. However, neither the Developers nor any future developer is obligated to implement development plans on any particular schedule or at all. Thus, the furnishing of information related to any proposed development should not be interpreted as such a commitment. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developer or any other landowner within the District to implement any plan of development. Furthermore, there is no restriction on any landowner's right to sell land. The District can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developers or any other landowner. See "THE DISTRICT'S DEVELOPER."

Development and Home Construction in the District

The District includes vacant developed lots that remain available for home construction and which are either owned by the Homebuilders or the Developer. Failure of the Developer or the Homebuilders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and other tax-supported obligations of the District. Future increases in the District's taxable value will result primarily from the construction of additional homes by the Homebuilders. See "Dependence on Future Development and Potential Impact on District Tax Rates" below.

Dependence on Future Development and Potential Impact on District Tax Rates

The District's 2023 tax rate is $0.90 per $100 of assessed valuation (including operations and maintenance and debt service), which is in line with the tax rate that is common among many other utility districts providing similar services located in Hays County, Texas. An increase in the District's tax rate substantially above such a level could have an adverse impact on future development in the District and on the District's ability to collect such tax.

Assuming no further construction of residential or building development projects within the District other than those that have been constructed, the value of such land and improvements currently located and under construction within the District could be a major determinant of the ability of the District to collect, and the willingness of property owners to pay, ad valorem taxes levied by the District. After issuance of the Bonds, the Maximum Annual Debt Service Requirement will be $1,793,159 (2045). The August 1, 2023 Estimated Taxable Value of property within the District is $260,084,100. Assuming no increase or decrease from the August 1, 2023 Estimated Taxable Value and no use of other District funds, a combined utility debt service tax rate and road debt service tax rate of $0.73 per $100 of assessed valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirement. The 2023 Certified Taxable Value of property within the District is $232,368,301. Assuming no increase or decrease from the 2023 Certified Taxable Value and no use of other District funds, a combined utility debt service tax rate and road debt service tax rate of $0.82 per $100 of assessed valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirement. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue."

Future Debt

Pursuant to Article XVI, Section 59 of the Texas Constitution and an election held for and within the District on November 5, 2013, the duly authorized registered voters of the District authorized the District to issue a total of $90,000,000 of unlimited tax bonds and $90,000,000 of refunding bonds for the purposes of providing water, sewer, and drainage facilities and improvements. Pursuant to Article III, Section 52 of the Texas Constitution and an election held for and within the District on November 3, 2015, the duly authorized registered voters of the District authorized the District to issue a total of $35,300,000 of unlimited tax bonds and $45,890,000 of refunding bonds for the purposes of providing road facilities and improvements.

Following the issuance of the Bonds, $76,795,000 of unlimited tax bonds and $90,000,000 of refunding bonds for water, sewer and drainage facilities and improvements, and $21,540,000 of unlimited tax bonds and $45,890,000 of refunding bonds for road facilities and improvements will remain authorized and unissued.

The District has the right to issue the remaining unissued new money bonds and refunding bonds as may hereafter be approved by the Board. Voters could authorize the issuance of additional bonds in the future, and the District may issue additional refunding bonds without additional elections. Any future new money bonds, other than road bonds, to be issued by the District must also be approved by the TCEQ. Such additional new money bonds or refunding bonds would be issued on a parity with the Bonds. Generally, the Board of Directors has indicated that, in the future, new money bonds will be issued in amounts and in timeframes depending upon: (i) the rate of growth of taxable improvements in the District, and (ii) the District's ability to keep the total tax rate at approximately $0.90 per $100 of assessed valuation.

Financing Road Facilities

The District is authorized to develop road facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue road bonds payable from taxes, approval of the bonds by the Attorney General of Texas would be required. The outstanding principal amount of any road bonds issued by the District may not exceed an amount equal to twenty-five percent of the value of taxable real property in the District. The District conducted a road bond election that authorized $35,300,000 of road bonds at an election held on May 5, 2018, of which $21,540,000 remain authorized but unissued following the issuance of the Bonds. The levy of taxes for such purposes may dilute the security for the Bonds. See "THE ROADS."

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."

Environmental Regulations

Wastewater treatment, water supply, storm sewer facilities and construction activities within the District are subject to complex environmental laws and regulations at the federal, state and local levels that may require or prohibit certain activities that affect the environment, such as:

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility district or other type of special purpose district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions to ensure future compliance. Environmental laws and compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Environmental laws can also inhibit growth and development within the District. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the TCEQ may impact new industrial, commercial and residential development in the Austin area. Under the Clean Air Act ("CAA") Amendments of 1990, the five-county Austin area ("Austin Area")—Travis, Hays, Williamson, Bastrop, and Caldwell Counties—has been designated an attainment/unclassifiable area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 ("the 2008 Ozone Standard"), and the EPA's most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 ("the 2015 Ozone Standard").

Although the Austin Area is currently in attainment, the Austin Area has been and continues to be near the non-attainment thresholds for ozone. Accordingly, it is possible that the Austin Area could be re-classified as a nonattainment area should ozone levels increase. A designation of nonattainment for ozone or any other pollutant could negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. In the past, the Austin Area has entered into agreements with the TCEQ to undertake voluntary actions to help avoid a nonattainment designation. Since 2004, the Austin Area has been party to a curtailment agreement with the TCEQ, and the Austin Area is currently part of an EPA Ozone Advance Program.

In order to comply with the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the Austin Area. It is possible that additional controls will be necessary to allow the Austin Area to maintain attainment with the ozone standards. Such additional controls could have a negative impact on the Austin Area's economic growth and development.

Water Supply & Discharge Issues. Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

Certain governmental entities regulate groundwater usage in the Austin Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future.

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

In addition to the foregoing, special district activities in the Austin Area involving the clearing of acreage and construction within the Edwards Aquifer recharge, transition, and contributing zones are subject to the TCEQ's Edwards Aquifer Protection Program, which requires a site-specific application, construction plan approval, and the implementation of temporary and permanent structural and non-structural Best Management Practices and the protection of sensitive features.

Operations of utility districts, including the District, are also potentially subject to requirements and restrictions under the CWA regarding the use and alteration of wetland areas that are within the "waters of the United States." The District must obtain a permit from the United States Army Corps of Engineers ("USACE") if operations of the District require that wetlands be filled, dredged, or otherwise altered.

On May 25, 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of "waters of the United States" and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, "waters of the United States" includes only geographical features that are described in ordinary parlance as "streams, oceans, rivers, and lakes" and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection.

While the *Sackett* decision removed a great deal of uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

As noted elsewhere in this Official Statement, the City currently provides water and wastewater services within the District.

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 an issuer which is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the policy insurer (the "Bond Insurer") at such time and in such amounts as would have been due absent such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

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

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

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of "BOND INSURANCE" herein.

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

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

Drought Conditions

The Austin area, including the area in and around the District in Hays County, like other areas of the State, is susceptible to drought conditions. The City provides water to the District in amounts sufficient to service the residents of the District. However, if drought conditions occur, water usage and rates could be impacted.

Storm Water

The National Weather Service recently completed a rainfall study known as NOAA Atlas 14, Volume 11 Participation-Frequency Atlas of the United States ("Atlas 14"). Flood plain boundaries within the District may be redrawn based on the Atlas 14 study based on higher statistical rainfall amount, resulting in interim flood plain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the flood plain. See "THE SYSTEM – 100-Year Flood Plain."

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending, or future legislation.

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, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward looking statements. The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates, 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 would prove to be accurate.

USE OF BOND PROCEEDS

Proceeds from the sale of the Bonds will be used to: (1) reimburse the Developer for advancing funds to construct certain road facilities serving the District and related land acquisition and engineering costs; (2) fund developer interest related to the advancement of funds for certain costs; (3) fund $179,500 of capitalized interest on the Bonds; and (4) pay certain administrative costs and costs related to the issuance of the Bonds.

The Engineer has advised the District that the proceeds listed below should be sufficient for the acquisition of such facilities. The District's present estimate of the use of proceeds of the Bonds is as follows:

CONSTRUCTION COSTS	**Total Amount**	
Crosswinds Phase 1, Section 1 – Paving	$86,463	
Crosswinds Phase 3A – Paving	$3,486,516	
Crosswinds Phase 4A – Paving	$285,000	
Engineering	$795,331	
Land Cost ROW	$1,263,497	
TOTAL CONSTRUCTION COSTS	**$5,916,807**	(a)
NON-CONSTRUCTION COSTS		
Legal Fees	$179,500	
Fiscal Agent Fees	$143,600	
Interest Costs:		
Capitalized Interest	$179,500	
Developer Interest	$463,524	
Bond Discount	$215,212	
Bond Issuance Expenses	$52,309	
Bond Engineering Report	$22,180	
Attorney General Fee	$7,180	
Contingency	$188	(b)
TOTAL NON-CONSTRUCTION COSTS	**$1,263,193**	
TOTAL BOND ISSUE REQUIREMENT	**$7,180,000**	

(a) The TCEQ has not established rules regarding district reimbursement of road costs to developers. The District has engaged its independent auditor to perform certain agreed upon procedures on the Developer's documentation of the payments of eligible road improvement costs.

(b) Represents the difference between the estimated and actual Bond discount. Such funds will be used by the District to fund costs only after approval by the Board of Directors.

THE DISTRICT

Authority

The District is a municipal utility district created by an Act of the 83rd Texas Legislative Session effective June 14, 2013 (codified as Chapter 8468, Texas Special District Local Laws Code). The District was created pursuant to the authority of Article XVI, Section 59 of the Texas Constitution and operates pursuant thereto, to Article III, Section 52 of the Texas Constitution, and to Chapters 49 and 54, Texas Water Code, as amended. The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54, Texas Water Code, as amended. The District is subject to the continuing supervision of the TCEQ. The District is empowered to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. Additionally, the District was granted certain road powers by an Act of the 84th Texas Legislative Session.

In order to obtain the consent of the City, within whose extraterritorial jurisdiction the District lies, to the District's creation, the District has agreed to observe certain City requirements. These requirements limit the purposes for which the District may sell bonds for the acquisition and improvement of waterworks, wastewater, drainage, and road facilities; limit the net effective interest rate on such bonds and other terms of such bonds; and require the City's approval of certain of the District's construction plans and specifications.

Description and Location

The District, as it was originally created, included approximately 445 acres. Since its creation, the District has not excluded any tracts of land and has not annexed any tracts of land. The District is located in eastern Hays County, Texas and is further located approximately five (5) miles northeast of the central business district of the City and approximately 20 miles south of the central business district of the City of Austin, Texas. The District lies south of Windy Hill Road (County Road 131) and approximately two (2) miles east of Interstate Highway 35. The District is located entirely within the exclusive extraterritorial jurisdiction of the City and within Hays Consolidated Independent School District. Residents gain access to the District by traveling north from the City's central business district on Interstate Highway 35, east on Windy Hill Road (County Road 131), and south on Crosswinds Parkway.

Summary of Land Use

A summary of the approximate land use in the District as of September 1, 2023, appears in the following table:

Type of Land Use	Acres (approx.)
Fully Developed Acres (a)	203
Acres Under Development (b)	16
Additional Developable Acreage (c)	19
Recreational/Amenity Center	7
Undevelopable Acres (d)	200
Total Approximate Acres	**445**

(a) Represents land located in Crosswinds, Phases 1, 2, 3A, 4A, 5, and 6A, which has been developed and improved for single-family residential purposes and is served with water, wastewater, storm drainage and detention, and road facilities. See "Status of Residential Development" herein.

(b) Represents land located in Crosswinds, Phase 6B, which is currently under construction and expected to contain 90 single-family residential lots based on current land plans. The lots in Crosswinds, Phase 6B are expected to be available for homebuilding during the second or third quarter of 2024.

(c) Represents additional developable land that may be developed in the future located in Crosswinds, Phase 3B, which is currently in the design phase, and approximately three (3) acres of commercial reserves in Crosswinds, Phase 6A. The District makes no representation that the development of such acreage will ever be undertaken.

(d) According to the Engineer, such acreage represents all of the land in the District that is not attributable to a single-family residential lot and includes detention ponds, drainage easements, pump stations, road rights-of-way, water and wastewater plant sites, open space, and park and recreational facilities.

Status of Residential Development

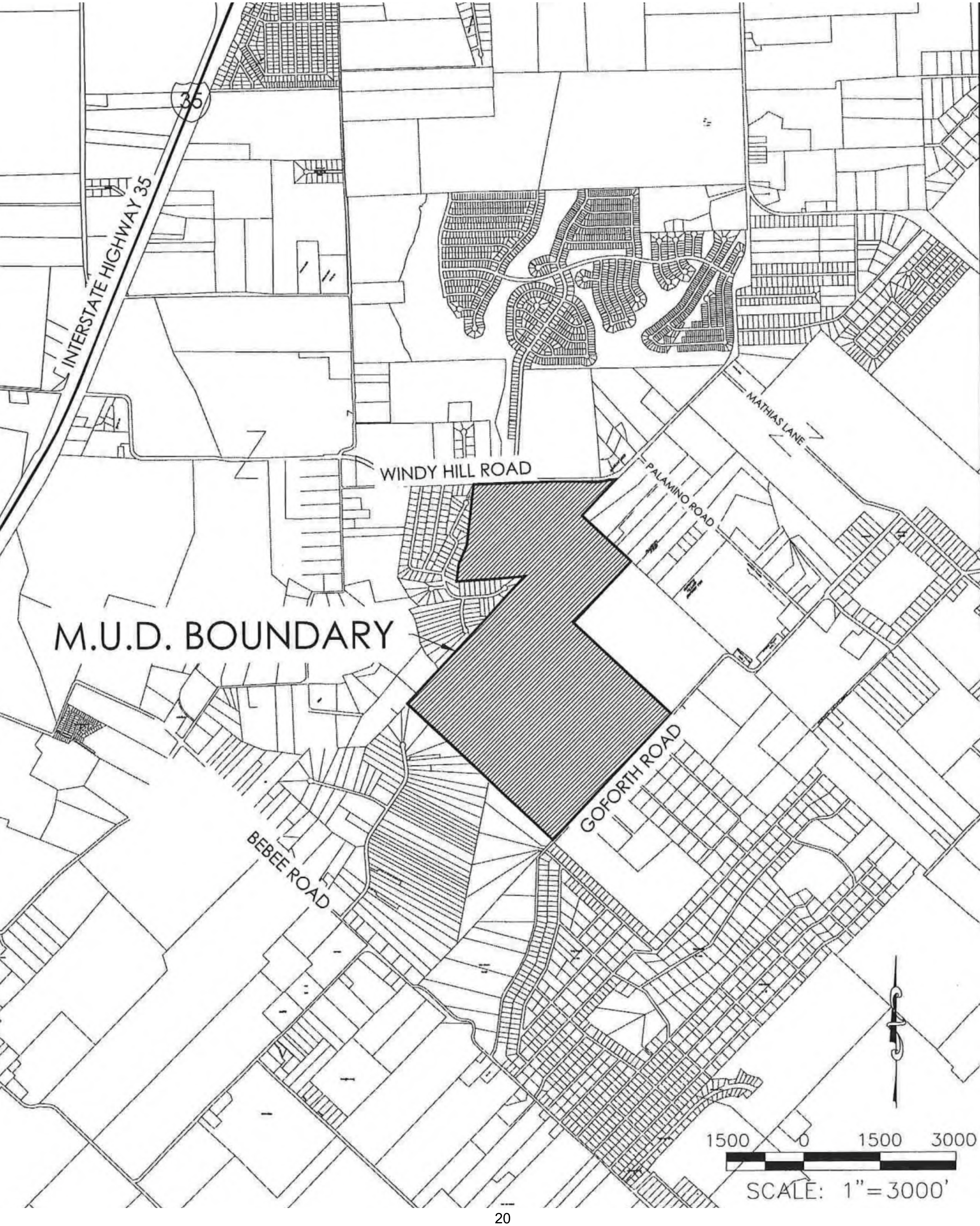
The District is being developed for single-family residential purposes in the subdivision known as Crosswinds. Homebuilding within the District commenced on or about February of 2017. The following table indicates the approximate status of single-family residential development as of September 1, 2023. See "APPENDIX B – Photographs Taken in The District" for further illustration of the various products of homes being constructed in the District.

		Homes		
Subdivision/Section	**Total Lots**	**Completed**	**Under Construction**	**Vacant Lots**
Crosswinds, Phase 1 (a)	226	224	0	2
Crosswinds, Phase 2 (a)	260	258	0	2
Crosswinds, Phase 3A (a)	280	33	41	206
Crosswinds, Phase 4A (a)	139	0	33	106
Crosswinds, Phase 5 (a)	211	27	33	151
Crosswinds, Phase 6A (a)	117	0	3	114
TOTALS	**1,233**	**542** (b)	**110** (b)	**581**

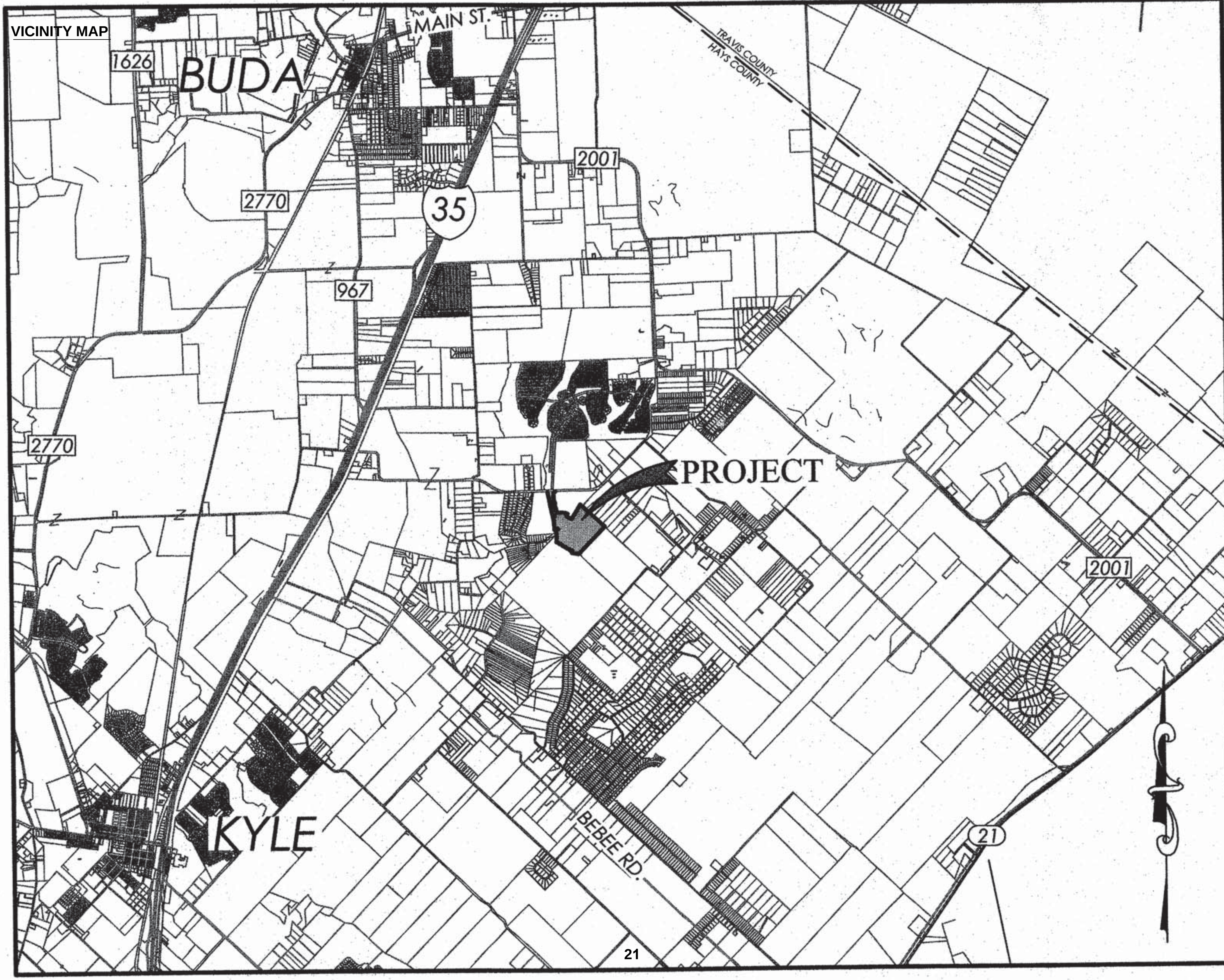
(a) Homes in the District are being constructed on 40-foot, 50-foot, and 60-foot lots and have been, or are currently being constructed by Highland Homes, Meritage Homes, Pacesetter Homes, Gehan Homes, Milestone Homes, Perry Homes, and Pulte Homes. Homes in the District have been, or are currently being marketed in the $210,000 - $600,000 price range.

(b) According to the Developer, as of September 1, 2023, of the 652 homes that were either complete or under construction, approximately 607 homes were either occupied by homeowners or had been sold to a homebuyer and seven (7) homes were being used as model homes.

LOCATION MAP



VICINITY MAP



THE DISTRICT'S DEVELOPER

Role of a Developer

In general, the activities of developers in a utility district such as the District include purchasing the land within a district, designing the streets in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities, and selling improved lots and commercial reserves to builders, other developers or other third parties. In most instances, a developer will be required to pay up to 30% of the cost of financing certain water, wastewater and drainage facilities in the utility district exclusive of water and sewage treatment plants, pursuant to the rules of the TCEQ. In addition, a developer is ordinarily the major taxpayer within a utility district during the property development phase and the developer's inability to pay the taxes assessed on its property within a district would have a materially adverse effect on the revenues of the district. The relative success or failure of a developer to perform development activities within a utility district may have a profound effect on the ability of the district to generate sufficient tax revenues to service and retire all tax bonds issued by the district. While a developer generally commits to pave streets and pay its allocable portion of the costs of utilities to be financed by the utility district through a specific bond issue, a developer is generally under no obligation to a district to undertake development activities with respect to other property that it owns within a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a district.

Description of the Developer

The original developer of the District was EB Windy Hill LP, a Texas limited partnership, who sold its interest in the property to Development Solutions CW, LLC, a Delaware limited liability company and a special purpose entity created solely for the purpose of developing the land within the District and marketing developed lots and developed tracts of land in the District. On December 13, 2021, the assets and certain obligations of Development Solutions CW, LLC were acquired by CF CSLK XWIND, LLC, a Delaware limited liability company (herein the "Developer"). The Developer is a special purpose entity created solely for the purpose of developing the land within the District and marketing developed lots and developed tracts of land in the District. The sole member of the Developer (the "Sole Member") is controlled by a private investment manager.

The Developer has entered into a development management agreement on December 13, 2021 (herein the "Management Agreement") with SR Capital Management (previously Crosswinds Allegiant Development, LLC and referred to herein as the "Development Manager") to provide for management of the day-to-day land development activities associated with the initiation and completion of the land development project within the District. These management activities include pre-development coordination and supervision of Developer's consultants and professionals, execution of the approved project plans and specifications, and supervising lot marketing and sales. The Development Manager includes several individuals that have worked together on real estate investments over the course of the last several years. Management of the Development Manager is handled by James A. Siepiela and Gregory L. Rich, who have the primary responsibility for managing the affairs thereof. Mr. Siepiela and Mr. Rich have a combined 85 years of experience developing projects in Texas and have worked together on land development projects for over 30 years.

The Developer has sold substantially all of its land holdings in the District to various homebuilders, including Milestone Homes, Perry Homes, and Pulte Homes. Milestone Homes, Perry Homes, and Pulte Homes are responsible for the development of the land and lots in their respective tracts, while the Developer retains ownership of the reimbursable development costs to be received from the District. The Developer sold an approximately 30-acre tract to Milestone Homes to be developed as Crosswinds, Phase 3B and an approximately 43-acre tract to Milestone Homes, which has been developed as Crosswinds, Phase 5. Crosswinds, Phase 3B is expected to contain 97 single-family residential lots and Crosswinds, Phase 5 has been developed into 211 single-family residential lots. The Developer sold an approximately 25-acre tract to Perry Homes, which has been developed as Crosswinds, Phase 4A and contains 139 single-family residential lots. The Developer sold an approximately 24-acre tract to Pulte Homes, which has been developed as Crosswinds, Phase 6A and an approximately 41-acre tract to Pulte Homes, which is currently being developed as Crosswinds, Phase 6B. Crosswinds, Phase 6A has been developed into 117 single-family residential lots and Crosswinds, Phase 6B is expected to contain 90 single-family residential lots. According to the Developer, the 90 single-family residential lots in Crosswinds, Phase 6B are expected to be available for homebuilding during the second or third quarter of 2024, and Crosswinds, Phase 3B is currently in the design phase. See "THE DISTRICT – Status of Residential Development."

As stated elsewhere in this Official Statement, the Developer, including Milestone Homes, Perry Homes, and Pulte Homes, has no commitment or obligation 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. Future development and homebuilding depend, in part, upon short-term and long-term interest rates, availability of mortgage and development funds, labor conditions, and general economic conditions. Neither the District nor the Developer represent that the development of the remaining developable acreage will ever be undertaken nor that any taxable improvements will ever be constructed thereon. See "RISK FACTORS – Economic Factors" and "– Landowners/Developer Under No Obligation to the District."

Developer Financing

The Developer has entered into a variable rate revolving line of credit (herein the "Loan") on March 30, 2022, with International Bank of Commerce (herein the "Bank"), which was amended and restated on June 5, 2023 (the "Amendment and Restatement"). As of the Amendment and Restatement, the Loan has a maximum principal amount of $80,000,000 and a final maturity of March 30, 2026, and is partially collateralized by the development project within the District, as well as other development projects in the investment fund of which each of the Developer and the Sole Member is a part. The Loan provides for monthly interest payments and periodic principal reduction payments. The Loan is evidenced by a note and secured, in part, by a first lien deed of trust on the Developer's land located in the District. Additionally, the Loan has an assignment of reimbursements to be received from the District by the Developer for reimbursable costs and guarantees of certain of the principals of the Developer. According to the Developer, as of August 31, 2023, the Loan was current and had not been in default since inception.

The Homebuilders

Homes in Crosswinds, Phases 1, 2, 3A, 4A, 5, and 6A are being constructed on 40-foot, 50-foot, and 60-foot lots and have been, or are currently being constructed by Highland Homes, Meritage Homes, Pacesetter Homes, Gehan Homes, Milestone Homes, Perry Homes, and Pulte Homes (the "Homebuilders"). Homes in the District have been, or are currently being marketed in the $210,000 - $600,000 price range. See "THE DISTRICT – Status of Residential Development."

THE SYSTEM

Regulation

According to the District's engineer, Carlson, Brigance, and Doering, Inc. ("Engineer"), the District's water distribution, wastewater collection, storm drainage, and detention facilities (the "System") have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the City and Hays County.

Operations of the water and wastewater systems serving the District are provided by the City. The water supply and wastewater treatment facilities serving the District are subject to regulation by, among others, the United States Environmental Protection Agency and the TCEQ. Certain of the regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Water Supply and Wastewater Treatment Facilities Serving the District

Water supply and wastewater treatment facilities serving the District are provided by the City pursuant to the terms of an agreement (the "Water and Wastewater Agreement") entered into on July 30, 2015 and continuing for a period of 30 years. The term of the Water and Wastewater Agreement may be extended by mutual agreement of the District and the City. The Water and Wastewater Agreement provides that the Developer (on behalf of the District) or the District will construct all of the system improvements located within the District, and certain off-site system improvements, according to all of the appropriate regulatory standards. All of the system improvements needed to serve Crosswinds, Phases 1, 2, 3A, 4A, 5, and 6A have been constructed by the Developer and approved by the City. The system improvements for Crosswinds, Phase 6B are currently under construction and the system improvements for Crosswinds, Phase 3B are in the design phase. The Water and Wastewater Agreement provides that as the system improvements in the District and the off-site improvements are completed by the Developer and approved by the City, such improvements are conveyed by the District to the City for ownership and operation. The District will maintain an ownership interest in the capacity of water and wastewater system to ensure water and wastewater service. The Water and Wastewater Agreement provides for certain cost-sharing, and development related fee credits between the City, the District, and the Developer.

The Water and Wastewater Agreement states that the City will provide the District with water supply capacity from the City's system (as defined in the Water and Wastewater Agreement) capable of serving 1,500 living unit equivalents ("LUEs"). Additional system improvements, such as the construction of a water supply tower and other improvements, must be made by the Developer, on behalf of the District, in order for the City to provide the District with water supply capacity in excess of 500 LUEs. In order to satisfy the requirements for receiving capacity in excess of 500 LUEs, the District has awarded construction contracts for a 150,000-gallon elevated storage tank and a 180,000-gallon ground storage tank, including a pump station, all appurtenances, site grading, and security site fencing improvements in aid thereof. Construction of such improvements is underway and is anticipated to be completed during the third or fourth quarter of 2023.

The Water and Wastewater Agreement states that the City will provide the District with wastewater capacity from the City's system (as defined in the Water and Wastewater Agreement) capable of serving 1,500 LUEs. The City currently has adequate permitted wastewater treatment capacity to serve the ultimate buildout of the Crosswinds subdivision. The District has satisfied all of the conditions in the Water and Wastewater Agreement necessary for the District to have access to the wastewater treatment and disposal capacities noted above.

Drainage System

The underground storm sewer facilities to serve Crosswinds, Phases 1, 2, 3A, 4A, 5, and 6A are complete. The natural course of drainage in the District flows in a southerly direction and eventually outfalls into Plum Creek. The District's drainage system currently includes collection systems, detention facilities, and drainage channels that accommodate the conveyance, detention, release and discharge of stormwater within the District.

100-Year Flood Plain

Flood Insurance Rate Map ("FIRM") is 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, approximately 75 acres of undeveloped land within the District are located within the 100-year flood plain, as identified by the Federal Flood Insurance Administration Rate Map Community Panels 48209C0290F and 48209C0293F for Hays County, Texas, dated September 2, 2005. No lots are developed nor are any lots expected to be developed within the approximately 75 acres that are located within the boundary of the 100-year flood plain.

The National Weather Service recently completed a rainfall study known as NOAA Atlas 14, Volume 11 Participation-Frequency Atlas of the United States ("Atlas 14") which shows that severe rainfall events are now occurring more frequently. Within Texas, the Atlas 14 study showed an increased number of rainfall events in a band extending from the upper Gulf Coast in the east and running west generally along the I-10 corridor to Central Texas. In particular the study shows that Central Texas is more likely to experience larger storms than previously thought. Based on this study, various governmental entities, including Travis County, are contemplating amendments to their regulations that will potentially increase the size of the 100-year flood plain which interim flood plain is based on the current 500-year flood plain, resulting in the interim floodplain regulations applying to a larger number of properties, and potentially increasing the size of detention ponds and drainage facilities required for future construction in all areas (not just in the flood plain). Flood plain boundaries within the District may be redrawn based on the Atlas 14 study based on the higher statistical rainfall amount, and could mean higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the flood plain.

General Fund Operating History

The Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. The information included in the table below relating to the District's operations is provided for information purposes only.

	Fiscal Year Ended September 30 (a)				
REVENUES	**2022**	**2021**	**2020**	**2019**	**2018**
Service availability fees	$63,000	$234,000	$837,000	$333,000	$360,000
Permit fees	$14,000	$52,000	$186,000	$74,000	$80,000
Property taxes	$401,569	$249,449	$161,422	$161,649	$4,216
Penalties and interest	$1,113	$1,117	$634	$483	-
Miscellaneous	$53,332	$30,750	$1,687	-	-
Investment earnings	$13,639	$880	$7,986	$9,313	$379
TOTAL REVENUES	**$546,653**	**$568,196**	**$1,194,729**	**$578,445**	**$444,595**
EXPENDITURES					
Operating and administrative:					
Professional fees	$147,129	$132,080	$153,321	$126,957	$156,350
Contracted services	$33,324	$32,178	$30,614	$25,403	$10,502
Repairs and maintenance	$194,300	$128,497	$102,593	$99,108	$102,331
Utilities	$9,037	$8,806	$8,604	$3,880	$3,864
Administrative	$22,689	$17,597	$21,560	$19,980	$18,129
Other	$1,302	$711	$983	$900	$900
TOTAL EXPENDITURES	**$407,781**	**$319,869**	**$317,675**	**$276,228**	**$292,076**
EXCESS/DEFICIENCY (b)	**$138,872**	**$248,327**	**$877,054**	**$302,217**	**$152,519**

(a) Data is taken from District's audited financial statements. See "APPENDIX A."

(b) As of September 13, 2023, the District's General Fund had an unaudited cash and investment balance of $2,255,690. For the fiscal year ending September 30, 2023, the District's General Fund has experienced unaudited revenues of $603,302 and unaudited expenditures of $333,946 for the 10-month period ended July 31, 2023. For the fiscal year ending September 30, 2024, the District's General Fund is currently budgeting revenues of $805,692 and expenditures of $530,320.

THE ROADS

The District is financing and has previously financed certain of its costs of construction or acquisition of components of the road system to serve property in the District (the "Roads") with portions of the proceeds of the sale of the Bonds and certain of the Outstanding Bonds, respectively. The Roads serve the residents of the District by providing access to the major thoroughfares within the Crosswinds subdivision and the surrounding area. Crosswinds Parkway serves as a major thoroughfare by conveying travelers to Windy Hill Road (County Road 131). The Roads consist of additional arterial roads, collector roads, and improvements in aid thereof.

The Roads lie within the public right-of-way. In addition to the roadway, public utilities such as underground water, wastewater and drainage facilities are located within the right-of-way or easement dedicated to the District. The right-of-way is also shared by streetlights, sidewalks, and franchise utilities, including power, gas, telephone, and cable utilities. The Roads have been designed and constructed in accordance with standards, rules, and regulations of Hays County, Texas. Upon completion, the Roads are conveyed to Hays County, Texas for ownership, operation and maintenance in accordance with the standard acceptance procedures. See "RISK FACTORS – Financing Road Facilities."

MANAGEMENT OF THE DISTRICT

The District is governed by a board of directors (the "Board") which has control over and management supervision of all affairs of the District. None of the directors reside in the District; each of the directors owns a parcel of land in the District subject to a note and deed of trust. The current members and officers of the Board, along with their titles on the Board, are listed below.

Name	Title	Expires May
Amy Laine	President	2024
Lee Weber	Vice President	2026
Elizabeth Edwards	Secretary	2024
Anthony Dell'Abate	Assistant Secretary	2026
Katie Kutac	Assistant Secretary	2024

The District does not employ a general manager or any other full-time employees. The District has contracted for utility system operating, bookkeeping, tax assessing and collecting services and annual auditing of its financial statements as follows:

Tax Assessor/Collector – Services related to the District's property tax matters are provided by the Hays Central Appraisal District and the Hays County Tax Office.

Bookkeeper – The District has contracted with Bott and Douthitt, PLLC for bookkeeping services.

Auditor – The financial statements of the District as of September 30, 2022, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, Certified Public Accountants, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's September 30, 2022, audited financial statements.

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

Operator – The water supply and wastewater treatment system serving the District is operated by the City of Kyle, Texas. Inframark, L.L.C. provides operational services for the District's stormwater quality and detention facilities and maintenance and management services thereof.

Financial Advisor – The GMS Group, L.L.C., serves as Financial Advisor to the District, and is paid an hourly fee for certain work performed for the District and a contingent fee to be computed on each separate issuance of bonds, if and when such bonds are delivered.

Bond Counsel – Winstead PC serves as Bond Counsel to the District and as counsel for the District on matters other than the issuance of bonds. Fees paid for the Bond Counsel services will be paid from proceeds of the Bonds; such fees are contingent upon the sale and delivery of such Bonds.

General Counsel – Andy Barrett & Associates, PLLC serves as General Counsel to the District on matters relating to, and other than, the issuance of bonds. Fees paid for the General Counsel services will be paid from proceeds of the Bonds; such fees are contingent upon the sale and delivery of such Bonds.

Disclosure Counsel – Orrick, Herrington & Sutcliffe LLP, Austin, Texas, has been engaged by the District to serve as Disclosure Counsel on certain matters related to the sale and delivery of the Bonds but such advice should not be relied upon by the purchasers as a due diligence undertaking on their behalf. Fees of the Disclosure Counsel will be paid from proceeds of the Bonds; such fees are contingent upon the sale and delivery of such Bonds.

DISTRICT INVESTMENT POLICY

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

DISTRICT DEBT

8/1/2023 Estimated Taxable Value	$260,084,100	(a)
2023 Certified Taxable Value	$232,368,301	(b)
Direct Debt:		
Outstanding Bonds (as of September 1, 2023)	$19,560,000	
The Bonds	$7,180,000	
Total Direct Debt	$26,740,000	
Estimated Overlapping Debt	$12,101,809	(c)
Direct and Estimated Overlapping Debt	$38,841,809	(c)
Percentage of Direct Debt to:		
8/1/2023 Estimated Taxable Value	10.28%	
2023 Certified Taxable Value	11.51%	
Percentage of Direct and Estimated Overlapping Debt to:		
8/1/2023 Estimated Taxable Value	14.93%	
2023 Certified Taxable Value	16.72%	
2023 Tax Rate Per $100 of Assessed Value:		
Utility Debt Service Tax	$0.25	
Road Debt Service Tax	$0.32	
Maintenance Tax	$0.33	
Total 2023 Tax Rate	$0.90	
Cash and Temporary Investment Balances as of September 13, 2023:		
General Fund	$2,255,690	(d)
Utility Debt Service Fund	$796,462	(e)
Road Debt Service Fund	$591,320	(e) (f)

(a) Reflects data supplied by Hays CAD. The Estimated Taxable Value as of August 1, 2023, was prepared by Hays CAD and provided to the District. Such value is not binding on Hays CAD. Any new value since January 1, 2023 will not be included on the District's tax roll until the 2024 tax roll is prepared and certified by Hays CAD during the second half of 2024. The District is authorized by law to levy taxes only against certified values. See "DISTRICT TAX DATA" and "TAXING PROCEDURES."

(b) Reflects the January 1, 2023 Certified Taxable Value according to data supplied to the District by Hays CAD. Such value excludes $6,673,759 of uncertified taxable value that is still in the certification process. See "DISTRICT TAX DATA" and "TAXING PROCEDURES."

(c) See "Estimated Overlapping Debt" herein.

(d) Unaudited figure per the District's records. See "THE SYSTEM – General Fund Operating History."

(e) Unaudited figures per the District's records. Neither Texas law nor the District's Bond Order require that the District maintain any particular balance in the Utility Debt Service Fund or the Road Debt Service Fund. The cash and investment balances in the Utility Debt Service Fund are not available to make debt service payments on the Bonds. Likewise, the cash and investment balances in the Road Debt Service Fund will not be available to make debt service payments on the District's utility bonds. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue" and "THE BONDS – Funds."

(f) The cash and investment balance in the Road Debt Service Fund includes $179,500 of capitalized interest to be funded with proceeds of the Bonds and to be deposited into such fund on the date of delivery of the Bonds. See "USE OF BOND PROCEEDS."

Estimated Overlapping Debt

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 information contained in the "Texas Municipal Reports," published by the Municipal Advisory Council of Texas and from information obtained directly from certain jurisdictions. Except for the amounts 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 such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds, the amount of which has not been reported. Political subdivisions 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 for payment of their debt, and some are presently levying and collecting such taxes.

	Approximate	Overlapping Debt	
Taxing Jurisdiction	**Outstanding Debt**	**Overlapping %**	**Amount**
Hays County	$500,607,455	0.38%	$1,902,308
Hays Consolidated Independent School District	$948,045,000	1.05%	$9,954,472
Austin Community College District	$562,445,000	0.04%	$245,029
Total Estimated Overlapping Debt			**$12,101,809**
The District (a)			$26,740,000
Total Direct and Estimated Overlapping Debt			**$38,841,809**

(a) Includes the Bonds.

DISTRICT TAX DATA

Tax Rate and Collections

The following table sets forth the historical tax collection experience of the District for the years 2018 through 2022, and includes certain information relative to the 2023 tax year. Such table has also been prepared based upon information from District records. Reference is made to such records for further and complete information.

Tax Year	Taxable Valuation (a)	Tax Rate (b)	Tax Levy	Cumulative Tax Collections (c)	Tax Year Ended September 30
2023	$232,368,301	$0.90	$2,091,315	(d)	(d)
2022	$153,427,297	$0.90	$1,380,846	100%	2023
2021	$97,878,336	$0.90	$880,905	100%	2022
2020	$62,916,173	$0.90	$566,246	100%	2021
2019	$39,424,703	$0.90	$354,822	100%	2020
2018	$16,966,896	$0.90	$152,702	100%	2019

(a) See “Analysis of Tax Base” herein.

(b) See “Tax Rate Distribution” herein.

(c) Represents cumulative collections as of August 31, 2023.

(d) The 2023 tax levy is in the process of collections; such taxes become delinquent if not paid before February 1, 2024. See "TAXING PROCEDURES."

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance and operation of the District and its facilities. Such tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds, the Outstanding Bonds, and any tax bonds that may be issued in the future. The District's voters authorized a maintenance tax of up to $1.00 per $100 of assessed valuation at an election held on November 5, 2013. See “– Tax Rate Distribution” herein.

Tax Rate Distribution

The following table sets forth the tax rate distribution of the District for the years 2018 through 2023.

	2023	2022	2021	2020	2019	2018
Utility Debt Service	$0.25	$0.31	$0.14	$0.00	$0.00	$0.00
Road Debt Service	$0.32	$0.25	$0.35	$0.50	$0.49	$0.00
Maintenance/Operation	$0.33	$0.34	$0.41	$0.40	$0.41	$0.90
Total	**$0.90**	**$0.90**	**$0.90**	**$0.90**	**$0.90**	**$0.90**

Additional Penalties

The District has the authority to contract with a tax attorney to collect certain delinquent taxes. In connection with that contract, the District can establish an additional penalty of 20% of the tax to defray the costs of collection. This 20% penalty applies to taxes that either: (1) become delinquent on or after February 1 of a year, but not later than May 1 of that year, and that remain delinquent on April 1 (for personal property) and July 1 (for real property) of the year in which they become delinquent, or (2) become delinquent on or after June 1, pursuant to the Texas Tax Code.

Principal Taxpayers

The list of principal taxpayers for 2023 and the other information provided by this table were provided by Hays CAD to the District based on certified tax rolls net of any exemptions from taxation. This table does not reflect any corrections pursuant to subsequent action of Hays CAD.

Property Owner	Property Description		Property Value	% of Total
CF CSLK XWIND LLC (a)	Land and Improvement		$21,897,930	9.16%
Crosswinds Development Inc (a) (b)	Land and Improvement		$19,883,110	8.31%
Milestone Community Builders LLC (a)	Land and Improvement		$6,323,200	2.64%
Pulte Homes of Texas LP (a)	Land and Improvement		$6,249,350	2.61%
Highland Homes Austin LLC (c)	Land and Improvement		$3,848,520	1.61%
Pacesetter Homes LLC (c)	Land and Improvement		$3,404,430	1.42%
Pacesetter Homes LLC (c)	Land and Improvement		$3,076,510	1.29%
Gehan Homes Ltd (c)	Land and Improvement		$2,110,920	0.88%
Homeowner	Land and Improvement		$595,970	0.25%
Homeowner	Land and Improvement		$594,410	0.25%
		TOTALS	**$67,984,350**	**28.43%**

(a) See "THE DISTRICT'S DEVELOPER – Description of the Developer."

(b) Represents an entity owned and controlled by Milestone Homes. See "THE DISTRICT'S DEVELOPER – Description of the Developer."

(c) See "THE DISTRICT'S DEVELOPER – The Homebuilders."

Analysis of Tax Base

Based on information provided to the District by its Tax Assessor/Collector, the following represents the composition of property comprising the gross tax roll valuations and the deferments for 2018 through 2023, and includes the August 1, 2023 Estimated Taxable Value.

	Type of Property						
Tax Roll Year	Land	Improvements	Personal Property	Gross Valuations	Exemptions	Taxable Valuations	
8/1/2023						$260,084,100	(a)
2023	$101,827,920	$154,011,683	$130,406	$255,970,009	$23,601,708	$232,368,301	(b)
2022	$49,752,960	$133,417,454	$210,005	$183,380,419	$29,953,122	$153,427,297	
2021	$22,729,270	$79,599,190	$220,198	$102,548,658	$4,670,322	$97,878,336	
2020	$21,100,000	$44,256,500	$287,008	$65,643,508	$2,727,335	$62,916,173	
2019	$11,124,110	$31,668,209	$102,476	$42,894,795	$3,470,092	$39,424,703	
2018	$6,149,970	$12,750,020	$165,874	$19,065,864	$2,098,968	$16,966,896	

(a) Reflects data supplied by Hays CAD. The Estimated Taxable Value as of August 1, 2023, was prepared by Hays CAD and provided to the District for informational purposes only. The District is authorized by law to levy taxes only against certified values. See "TAXING PROCEDURES."

(b) Reflects the January 1, 2023 Certified Taxable Value according to data supplied to the District by Hays CAD. Such value excludes $6,673,759 of uncertified taxable value that is still in the certification process.

Estimated Overlapping Taxes

The following table sets forth all 2022 taxes levied by overlapping taxing jurisdictions and includes the District's 2023 tax rate. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges, or any other levy by entities other than political subdivisions.

Taxing Entities	2022 Tax Rate
Austin Community College District	$0.0987
Hays Consolidated Independent School District	$1.3423
Hays County	$0.2950
Hays County Special Road District	$0.0175
Hays County Emergency Service District No. 5	$0.0895
Hays County Emergency Service District No. 9	$0.0505
Plum Creek Conservation District	$0.0162
Plum Creek Groundwater Conservation District	$0.0159
Overlapping Taxes	**$1.9256**
The District (2023)	$0.9000
Total Direct & Overlapping Taxes	**$2.8256**

Tax Adequacy of Tax Revenue

The calculations shown below are solely for the purpose of illustration, reflect no net revenues of the System, no transfers of surplus funds from the District's Operating Fund to the Utility Debt Service Fund or the Road Debt Service Fund, and no increase or decrease in assessed valuation over the August 1, 2023 Estimated Taxable Value and the 2023 Certified Taxable Value and utilize a tax rate adequate to service the District's total debt service requirements after issuance of the Bonds.

Maximum Annual Debt Service Requirements (2045) .... $1,793,159 (a)

Requires a $0.73 debt service tax rate on the August 1, 2023 Estimated Taxable Value at 95% collection .... $1,803,683 (a)

Requires a $0.82 debt service tax rate on the 2023 Certified Taxable Value at 95% collection .... $1,810,149 (a)

(a) A certain amount of the maximum annual debt service requirement will be paid for with the District's road debt service tax rate and a certain portion will be paid for with the District's utility debt service tax rate.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal and interest on the Bonds and any additional bonds payable from taxes that the District has previously or may hereafter issue (see "RISK FACTORS – 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 in this Official Statement under the caption "THE BONDS – Source of and Security for Payment." Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water and wastewater system and for the payment of certain contractual obligations if authorized by the voters in the District. See "DISTRICT TAX DATA – Maintenance Tax."

Tax Code and County-Wide Appraisal District

The Texas Tax Code (the "Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Tax Code are complex and are not fully summarized here. The Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units in a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Hays Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units within Hays County, including the District. Such appraisal values are subject to review and change by the Hays County Appraisal Review Board (the "Appraisal Review Board"). The Texas Comptroller of Public Accounts may provide for the administration and enforcement of uniform standards and procedures for appraisal of property.

Exempt Property

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

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

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

Tax Abatement

Hays County or the City of Kyle may designate all or part of the area within the District as a reinvestment zone. Thereafter, the City of Kyle, Hays County, or the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to 10 years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction, including the District, has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. The District has not entered into any tax abatement agreements.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Hays CAD at market value as of January 1 of each year. Once an appraisal roll is prepared and formally approved by the Appraisal Review Board, it is used by the District in establishing its tax roll and tax rate. Assessments under the Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Tax Code.

The Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price that such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation, and the appraiser is required by the Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a landowner of qualified open-space land is a member of the United States Armed Forces, subject to certain conditions, the appraisal of the land as qualified open-space land does not change while the landowner is deployed or stationed outside of Texas. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use and taxes for the previous five years for open space land and timberland.

The Tax Code requires the Hays CAD to implement a plan for periodic reappraisal of property. The plan must provide for appraisal of all real property in the Hays CAD at least once every three years. It is not known what frequency of reappraisal will be utilized by the Hays CAD 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 Hays CAD 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 Hays CAD chooses formally to include such values on its appraisal roll.

Assessment and Levy

The District is responsible for the levy and collection of its taxes unless it elects to transfer the collection functions to another governmental entity or private tax assessor/collector approved by the Board. Each year the rate of taxation is set by the Board based upon the valuation of property within the District as of the preceding January 1. Taxes are due when billed and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. In addition, if the District engages an attorney for the collection of delinquent taxes, the Board may impose a further penalty not to exceed twenty percent (20%) on all taxes, penalty, and interest unpaid on July 1. The Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances.

District and Taxpayer Remedies

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

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

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the

District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

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

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

The District. A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District is made by the Board of Directors on an annual basis. The Board of Directors designated the District as a Developing District for purposes of setting the 2023 tax rate. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

THE BONDS

General

The Bond Order authorizes the issuance and sale of the Bonds and prescribes terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District. Set forth below is a summary of certain provisions of the Bond Order. Capitalized terms in such summary are used as defined in the Bond Order. Such summary is not a complete description of the entire Bond Order and is qualified in its entirety by reference to the Bond Order, copies of which are available from the District's Bond Counsel upon request.

The Bonds are dated and will bear interest from November 1, 2023, at the per annum rates shown on the cover page hereof. The Bonds are fully registered bonds maturing on April 1 in the years and in the principal amounts set forth on the cover page hereof. Interest on the Bonds is payable April 1, 2024, and each October 1 and April 1 thereafter until the earlier of maturity or redemption. The Record Date on the Bonds is the 15th day of the calendar month next preceding the interest payment date.

The Bonds will be issued only in fully registered form in any integral multiple of $5,000 of principal amount for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY-SYSTEM" herein.

In the event that the Book-Entry-Only System is discontinued, interest on the Bonds shall be payable by check on or before each interest payment date, mailed by the Paying Agent/Registrar to the registered owners ("Registered Owners") as shown on the bond register (the "Register") kept by the Paying Agent/Registrar at the close of business on the 15th calendar day of the month immediately preceding each interest payment date to the address of such Registered Owner as shown on the Register, or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

Optional Redemption

The District reserves the right to redeem, prior to maturity, the Bonds maturing on or after April 1, 2030, in whole or in part from time to time, on April 1, 2029, or on any date thereafter, at a price of par plus accrued interest to the date of redemption. If fewer than all of the Bonds are to be redeemed, the particular Bonds to be redeemed will be selected by the District. If fewer than all of the Bonds within any one maturity are redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random selection method. Notice of each exercise of the right of redemption will be given at least thirty days prior to the date fixed for redemption by providing written notice to each registered securities depository and national information service. When Bonds have been called for redemption, they will become due and payable on the redemption date.

Mandatory Redemption

The Bonds maturing on April 1 in the years 2033, 2040, and 2042 (the "Term Bonds") shall be subject to annual mandatory sinking fund redemption as shown in the tables below.

$445,000 Term Bonds, due April 1, 2033

Mandatory Redemption Date	Principal Amount
April 1, 2032	$215,000
April 1, 2033 (maturity)	$230,000

$625,000 Term Bonds, due April 1, 2040

Mandatory Redemption Date	Principal Amount
April 1, 2039	$305,000
April 1, 2040 (maturity)	$320,000

$685,000 Term Bonds, due April 1, 2042

Mandatory Redemption Date	Principal Amount
April 1, 2041	$335,000
April 1, 2042 (maturity)	$350,000

Notice of Redemption; Partial Redemption

While the Bonds are in book-entry-only form, pursuant to the Bond Order, the Term Bonds will be scheduled for annual mandatory sinking fund redemption by DTC in accordance with its procedures. If the book-entry-only system is discontinued, the Paying Agent/Registrar shall select by lot the Term Bonds, if any, to be redeemed and issue a notice of redemption in the manner provided below. The principal amount of the Term Bonds of a maturity required to be redeemed pursuant to the operation of such mandatory redemption requirements shall be reduced, at the option of and as determined by the District, by the principal amount of any Term Bonds of such maturity which, prior to the date of the mailing of notice of such mandatory redemption, (1) shall have been acquired by the District and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

Notice of each exercise of the right of redemption will be given at least 30 calendar days prior to the date fixed for redemption by the mailing of a notice by the Paying Agent/Registrar to each of the registered owners of the Bonds to be redeemed at the address shown on the records of the Paying Agent/Registrar on the date which is 45 calendar days prior to the redemption date. When Bonds have been called for redemption, the right of the registered owners of such Bonds to collect interest which would otherwise accrue after the date for redemption will be terminated.

The Bonds of a denomination larger than $5,000 in principal amount may be redeemed in part ($5,000 in principal or any integral 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.

Source of and Security for Payment

The Bonds are secured by and payable from the levy of a continuing, direct, annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property in the District. In the Bond Order, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, Paying Agent/Registrar fees, and Appraisal District fees. The Bonds are obligations of the District and are not the obligations of the State of Texas, Hays County, the City, or any entity other than the District.

Defeasance

Any Bond and the interest thereon will be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of the Bond Order, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or otherwise) either (i) has been made or caused to be made in accordance with the terms of the Bond Order (including the giving of any required notice of redemption) or (ii) has been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment and/or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the District with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds have become due and payable. At such time as a Bond is deemed to be a Defeased Bond, such Bond and the interest thereon will 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 and/or Government Obligations.

The term "Government Obligations" as used in this Section, means all obligations authorized for defeasance purposes under Texas law, currently: (a) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

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

Funds

In the Bond Order, the Road Debt Service Fund is confirmed, and the proceeds from all taxes levied, appraised, and collected for and on account of the Bonds authorized by the Bond Order, and any additional bonds attributable to roads, payable from taxes which may be issued in the future by the District, shall be deposited as collected in such fund.

The District also maintains a Utility Debt Service Fund that is not pledged to the Bonds. Funds in the Utility Debt Service Fund are not available to pay principal of and interest on the Bonds.

Accrued interest and capitalized interest on the Bonds shall be deposited into the Road Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Road Capital Projects Fund to be used for the purpose of reimbursing the Developer for certain construction and land acquisition costs and for paying the costs of issuance of the Bonds. Any monies remaining in the Road Capital Projects Fund after paying the above costs will be used as described in the Bond Order or ultimately transferred to the Road Debt Service Fund.

Paying Agent/Registrar

Pursuant to the Bond Order, the initial paying agent and initial registrar with respect to the Bonds is UMB Bank, N.A., located in Austin, Texas. The District will maintain at least one Paying Agent/Registrar, where the Bonds may be surrendered for transfer and/or for exchange or replacement for other Bonds, and for the purpose of maintaining the Bond Register on behalf of the District. The Paying Agent/Registrar is required at all times to be a duly qualified banking corporation or association organized and doing business under the laws of the United States of America, or of any state thereof, and subject to supervision or examination by federal or state banking authorities.

The District reserves the right and authority to change any paying agent/registrar and, upon any such change, the District covenants and agrees in the Bond Order to promptly cause written notice thereof, specifying the name and address of such successor paying agent/registrar, to be sent to each Registered Owner of the Bonds by United States mail, first class, postage prepaid.

Registration and Transfer

In the event the Book-Entry-Only System should be discontinued, the Bonds will be transferable only on the Bond Register kept by the Paying Agent/Registrar upon surrender and reissuance. The Bonds are exchangeable for an equal principal amount of Bonds of the same maturity and of any authorized denomination upon surrender of the Bonds to be exchanged at the operations office of the Paying Agent/Registrar in Austin, Texas. See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be utilized initially in regard to the ownership and transferability of the Bonds. Every Bond presented or surrendered for transfer is required to be duly endorsed, or be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent/Registrar. Neither the Paying Agent/Registrar nor the District is required (1) to transfer or exchange any Bond during the period beginning at the opening of business on a Record Date (defined herein) and ending at the close of business on the next succeeding interest payment date, or (2) to transfer or exchange any Bond selected for redemption in whole or in part beginning fifteen (15) calendar days prior to and ending on the date of mailing of the notice of redemption or, where such redemption is scheduled to occur, within forty-five (45) days. No service charge will be made for any transfer or exchange, but the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Lost, Stolen, or Destroyed Bonds

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

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is quoted from Section 49.186 of the Texas Water Code, and is applicable to the District:

"(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of authorities, public agencies, and bodies politic.

(b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of authorities, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any un-matured interest coupons attached to them."

The Public Funds Collateral Act (Chapter 2257, Texas Government Code) also provides that bonds of the District (including the Bonds) are eligible as collateral for public funds.

Issuance of Additional Debt

Pursuant to Article XVI, Section 59 of the Texas Constitution and an election held for and within the District on November 5, 2013, the duly authorized registered voters of the District authorized the District to issue a total of $90,000,000 of unlimited tax bonds and $90,000,000 of refunding bonds for the purposes of providing water, sewer, and drainage facilities and improvements. Pursuant to Article III, Section 52 of the Texas Constitution and an election held for and within the District on November 3, 2015, the duly authorized registered voters of the District authorized the District to issue a total of $35,300,000 of unlimited tax bonds and $45,890,000 of refunding bonds for the purposes of providing road facilities and improvements.

Following the issuance of the Bonds, $76,795,000 of unlimited tax bonds and $90,000,000 of refunding bonds for water, sewer and drainage facilities and improvements, and $21,540,000 of unlimited tax bonds and $45,890,000 of refunding bonds for road facilities and improvements will remain authorized and unissued.

The District has the right to issue the remaining unissued new money bonds and refunding bonds as may hereafter be approved by the Board. Voters could authorize the issuance of additional bonds in the future, and the District may issue additional refunding bonds without additional elections. Any future new money bonds, other than road bonds, to be issued by the District must also be approved by the TCEQ. Such additional new money bonds or refunding bonds would be issued on a parity with the Bonds. Generally, the Board of Directors has indicated that, in the future, new money bonds will be issued in amounts and in timeframes depending upon: (i) the rate of growth of taxable improvements in the District, and (ii) the District's ability to keep the total tax rate at approximately $0.90.

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 DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Financial Advisor, and the Initial Purchaser believe the source of such information to be reliable but take no responsibility for the accuracy or completeness thereof.

The District and the Initial Purchaser cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States 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 securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 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. 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, who will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Certificate ("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 securities 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 Bonds 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 fewer 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. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are 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, securities 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, securities will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the District believes to be reliable, but none of the District, the Financial Advisor or the Initial Purchaser takes any responsibility for the accuracy thereof. Termination by the District of the DTC Book-Entry-Only System may require consent of DTC Participants under DTC Operational Arrangements.

LEGAL MATTERS

Legal Opinions

The District will furnish the Initial Purchaser a transcript (the "Transcript") of certain certified proceedings incident to the issuance and authorization of the Bonds. Such Transcript will include the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of the Public Accounts of the State of Texas, to the effect that the Bonds are valid and legally binding obligations of the District payable from the proceeds of an annual ad valorem tax, levied without limit as to rate or amount, upon all taxable property in the District. The District will also furnish the approving legal opinion of Winstead PC, Austin, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas. The legal opinion of Bond Counsel will further state that, under existing law, and assuming compliance with certain covenants and the accuracy of certain representations discussed herein, interest on the Bonds is excludable from gross income for federal income tax purposes and is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. See "TAX MATTERS." Bond Counsel's fees for services rendered with respect to the sale of the Bonds are contingent upon the issuance and delivery of the Bonds. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, as disclosure counsel to the District.

Legal Review

In its capacity as Bond Counsel, Winstead PC, has reviewed the information appearing in this Official Statement under the captions "CONTINUING DISCLOSURE OF INFORMATION - SEC RULE 15c2-12," "THE DISTRICT – Authority," "TAXING PROCEDURES," "THE BONDS," "TAX MATTERS" and "LEGAL MATTERS – Legal Opinions" (to the extent such section relates to the opinion of Bond Counsel) solely to determine whether such information fairly summarizes the procedures and documents referred to therein. Bond Counsel has not, however, independently verified any of the other factual information contained in this Official Statement, nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of any of the other information contained herein. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein, other than the matters discussed immediately above.

Andy Barrett & Associates, PLLC, serves as general counsel to the District on matters relating to, and other than, the issuance of bonds. The legal fees paid to Bond Counsel and General Counsel for services rendered in connection with issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

On the date of delivery of the Bonds, the District will execute and deliver a certificate to the effect that there is not pending, and to the knowledge of the District, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices.

TAX MATTERS

Opinion

Winstead PC, Bond Counsel will render its opinion that, under existing law, and assuming compliance with certain covenants and the accuracy of certain representations, discussed below, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the alternative minimum tax; however, such interest is taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. See "APPENDIX D – Form of Bond Counsel's Opinion."

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

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

For taxable years beginning after December 31, 2022, an "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Bonds could subject a corporation to alternative minimum tax consequences.

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

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

Original Issue Discount

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

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

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

Original Issue Premium

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

Collateral Tax Consequences Summary

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

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

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

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

State, Local and Foreign Taxes

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

Changes in Law

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Qualified Tax-Exempt Obligations for Financial Institutions

The District has designated the Bonds as “qualified tax-exempt obligations” for purposes of section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the “Code”). “Qualified tax-exempt obligations” under section 265(b)(3) of the Code affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under section 265(b)(2) of the Code.

REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS

The offer and sale of the Bonds has not been registered or qualified 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, and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated 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 provisions.

OFFICIAL STATEMENT

Sources of Information

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Hays Central Appraisal District, the Hays County Tax Office, the Developer, and other sources that are believed to be reliable, but no representation is made as to the accuracy or completeness of the information derived from such other sources. The summaries of the statutes, orders, resolutions and engineering and other related reports set forth in the Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

Financial Advisor

The GMS Group, L.L.C. is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the Official Statement, the Official Notice of Sale and the Official Bid Form for the sale of the Bonds. In its capacity as Financial Advisor, The GMS Group, L.L.C. has compiled and edited this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

In approving this Official Statement, the District has relied upon the following consultants.

Engineer – The information contained in this Official Statement relating to engineering matters generally and to the description of the System and in particular that information included in the sections entitled "THE SYSTEM" and “THE ROADS” and certain engineering matters included in "THE DISTRICT – Description and Location" and certain matters under the headings "THE DISTRICT – Summary of Land Use” and “– Status of Residential Development" (excluding house count information which has been provided by the Developer) have been provided by Carlson, Brigance & Doering, Inc., and have been included in reliance upon the authority of such firm as an expert in the field of civil engineering.

Tax Assessor/Collector – The information contained in this Official Statement relating to the estimated assessed valuation of property and, in particular, such information contained in the section captioned "DISTRICT TAX DATA," has been provided by the Hays Central Appraisal District and the Hays County Tax Office in reliance upon their authority as experts in the field of tax assessing and appraising.

Auditor – The financial statements of the District as of September 30, 2022, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, Certified Public Accountants, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's September 30, 2022, audited financial statements.

Continuing Availability of Financial Information

Pursuant to Texas law, the District has its financial statements prepared in accordance with generally accepted accounting principles and has its financial statements audited by a certified public accountant in accordance with generally accepted auditing standards within 120 days after the close of its fiscal year. The District’s audited financial statements are required to be filed with the TCEQ within 135 days after the close of its fiscal year.

The District's financial records and audited financial statements are available for public inspection during regular business hours at the office of the District and copies will be provided on written request, to the extent permitted by law, upon payment of copying charges. Requests for copies should be addressed to the District in care of Winstead PC, 401 Congress Avenue, Suite 2100, Austin, Texas, 78701.

Certification as to Official Statement

The Board of Directors of the District, acting in its official capacity and in reliance upon the consultants listed above, and certain certificates of representation to be provided to the Board, 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, descriptions 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 of such matters and makes no representation as to the accuracy or completeness thereof.

Updating of Official Statement

The District will keep the Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information comes to its attention, in the other matters described in the Official Statement, until the delivery of the Bonds. All information with respect to the resale of the Bonds shall be the responsibility of the Initial Purchaser.

MISCELLANEOUS

All estimates, statements and assumptions in this Official Statement and the Appendices hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statement in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated is intended as such and not a representation of fact and no representation is made that any such statement will be realized.

This Official Statement was approved by the Board of Directors of Crosswinds Municipal Utility District as of the date shown on the cover page.

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

CROSSWINDS MUNICIPAL UTILITY DISTRICT

HAYS COUNTY, TEXAS

FINANCIAL REPORT

September 30, 2022

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McGRATH & CO., PLLC

Certified Public Accountants

2900 North Loop West, Suite 880

Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Crosswinds Municipal Utility District
Hays County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Crosswinds Municipal Utility District (the "District"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Crosswinds Municipal Utility District, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information schedules 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

McGrath & Co, PLLC

Houston, Texas
March 8, 2023

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Management's Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Crosswinds Municipal Utility District (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2022. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues*, *Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at September 30, 2022, was negative $18,575,614. The District's net position is negative because the District incurs debt to construct water and sewer facilities which will be conveyed the City of Kyle upon completion of construction. Additionally, the District incurs debt to construct public road improvements which are conveyed to Hays County. A comparative summary of the District's overall financial position, as of September 30, 2022 and 2021, is as follows:

	2022	2021
Current and other assets	$ 2,515,404	$ 2,375,434
Capital assets	158,664	31,292
Total assets	2,674,068	2,406,726
Current liabilities	6,655,724	381,011
Long-term liabilities	14,593,958	19,603,252
Total liabilities	21,249,682	19,984,263
Net position		
Net investment in capital assets	(41,586)	(9,361)
Restricted	343,429	235,875
Unrestricted	(18,877,457)	(17,804,051)
Total net position	$ (18,575,614)	$ (17,577,537)

The total net position of the District decreased during the current fiscal year by $998,077. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2022	2021
Revenues		
Service availability fees	$ 63,000	$ 234,000
Permit fees	14,000	52,000
Property taxes	883,174	569,981
Other	126,175	31,757
Total revenues	1,086,349	887,738
Expenses		
Operating and administrative	414,824	326,102
Debt interest and fees	364,572	227,216
Developer interest	277,240	
Debt issuance costs	491,877	
Amortization	1,360	1,360
Total expenses	1,549,873	554,678
Change in net position before other item	(463,524)	333,060
Other items		
Capital contribution	(1,333,192)	
Change in estimate of due to developer	798,639	
Change in net position	(998,077)	333,060
Net position, beginning of year	(17,577,537)	(17,910,597)
Net position, end of year	$ (18,575,614)	$ (17,577,537)

Financial Analysis of the District's Funds

The District's combined fund balances, as of September 30, 2022, were $2,379,678, which consists of $1,971,540 in the General Fund, $339,995 in the Debt Service Fund, and $68,143 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of September 30, 2022 and 2021 is as follows:

	2022	2021
Total assets	$ 2,103,832	$ 2,141,050
Total liabilities	$ 75,460	$ 306,011
Total deferred inflows	56,832	2,371
Total fund balance	1,971,540	1,832,668
Total liabilities, deferred inflows and fund balance	$ 2,103,832	$ 2,141,050

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

	2022	2021
Total revenues	$ 546,653	$ 568,196
Total expenditures	(407,781)	(319,869)
Revenues over expenditures	$ 138,872	$ 248,327

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy and service availability and permit fees charged to homebuilders in the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because the District increased the maintenance and operations component of the levy and because assessed values increased from prior year.
- In the period through May 12, 2021, a water and wastewater service availability fee of $4,500 per platted lot and a separate permit fee of $1,000 per platted lot was charged to homebuilders within the District. These fees were intended to defray the costs of service availability and connection to the water and wastewater system within the District and fluctuated with homebuilding activity. Effective May 13, 2021, the Board adopted an amended resolution removing the water and wastewater system availability fees.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of September 30, 2022 and 2021 is as follows:

	2022	2021
Total assets	$ 343,429	$ 235,875
Total deferred inflows	$ 3,434	$ 4,031
Total fund balance	339,995	231,844
Total deferred inflows and fund balance	$ 343,429	$ 235,875

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

	2022	2021
Total revenues	$ 484,808	$ 313,328
Total expenditures	(376,657)	(230,927)
Revenues over expenditures	$ 108,151	$ 82,401

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. The difference between these financial resources and debt service requirements resulted in an increase in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of September 30, 2022 and 2021 is as follows:

	2022	2021
Total assets	$ 120,583	$ 3
Total liabilities	$ 52,440	$ 1,494
Total fund balance	68,143	(1,491)
Total liabilities and fund balance	$ 120,583	$ 3

A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

	2022	2021
Total revenues	$ 1,024	$ -
Total expenditures	(7,755,198)	(1,494)
Revenues under expenditures	(7,754,174)	(1,494)
Other changes in fund balance	7,823,808	
Net change in fund balance	$ 69,634	$ (1,494)

The District had considerable capital asset activity in the current fiscal year, which was financed with proceeds from the issuance of its Series 2021 Unlimited Tax Bonds and Series 2022 Bond Anticipation Note. The District did not have significant capital asset activity in the prior year.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $116,561 greater than budgeted. The *Budgetary Comparison Schedule* on page 36 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Capital assets held by the District at September 30, 2022 and 2021 are summarized as follows:

	2022	2021
Capital assets not being depreciated		
Land and improvements	$ 128,732	$ -
Capital assets being amortized		
Impact fees for irrigation meters	38,092	38,092
Less accumulated amortization	(8,160)	(6,800)
Depreciable capital assets, net	29,932	31,292
Capital assets, net	$ 158,664	$ 31,292

Capital asset additions during the current year include land acquisitions for detention facilities.

The District and the City of Kyle (the "City") have entered into an agreement which obligates the District to construct water and wastewater facilities to serve the District and, when completed, to convey title to the facilities to the City (Note 10). Additionally, Hays County (the "County") assumes responsibility for roads and storm sewer systems constructed within the county's public right-of-way. Consequently, those projects conveyed to the City and County are not recorded as capital assets on the District's financial statements but are recorded as transfers to other governments upon completion of construction.

Long-Term Debt and Related Liabilities

As of September 30, 2022, the District owes approximately $5,459,670 to developers for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 7, the District has an additional commitment in the amount of $22,478,710 for projects under construction by the developers. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At September 30, 2022 and 2021, the District had total bonded debt outstanding as shown below:

Series	2022	2021
2018 Road	$ 3,175,000	$ 3,250,000
2020 Road	3,330,000	3,330,000
2021	2,805,000	
	$ 9,310,000	$ 6,580,000

During the current year, the District issued $2,805,000 in unlimited tax bonds. At September 30, 2022, the District had $87,195,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and $90,000,000 for the refunding of such bonds; and $28,720,000 for road improvements and $45,890,000 for the refunding of such bonds.

During the current year, the District issued a $6,363,000 bond anticipation note (BAN) to provide short-term financing for developer reimbursements. The District intends to repay the BAN with proceeds from the issuance of long-term debt. See Note 6 for additional information.

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and the projected cost of operating the District.

A comparison of next year's budget to current year actual amounts for the General Fund is as follows:

	2022 Actual	2023 Budget
Total revenues	$ 546,653	$ 530,000
Total expenditures	(407,781)	(500,120)
Revenues over expenditures	138,872	29,880
Beginning fund balance	1,832,668	1,971,540
Ending fund balance	$ 1,971,540	$ 2,001,420

Property Taxes

The District's property tax base increased approximately $53,769,000 for the 2022 tax year from $97,890,336 to $151,659,744. This increase was primarily due to new construction in the District and increased property values. For the 2022 tax year, the District has levied a maintenance tax rate of $0.34 per $100 of assessed value, a water, sewer, and drainage debt service tax rate of $0.31 per $100 of assessed value, and a road debt service tax rate of $0.25 per $100 of assessed value, for a total combined tax rate of $0.90 per $100 of assessed value. Tax rates for the 2021 tax year were $0.41 per $100 for maintenance and operations, $0.14 per $100 for water, sewer, and drainage debt service and $0.35 for road debt service for a combined total of $0.90 per $100 of assessed value.

Basic Financial Statements

Crosswinds Municipal Utility District
Statement of Net Position and Governmental Fund Balance Sheet
September 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 158,528	$ -	$ 3	$ 158,531	$ -	$ 158,531
Investments	1,835,761	340,266	120,580	2,296,607		2,296,607
Taxes receivable	2,082	3,434		5,516		5,516
Other receivables	54,750			54,750		54,750
Internal balances	52,711	(271)	(52,440)			
Capital assets not being depreciated					128,732	128,732
Capital assets, net					29,932	29,932
Total Assets	$ 2,103,832	$ 343,429	$ 68,143	$ 2,515,404	158,664	2,674,068
Liabilities						
Accounts payable	$ 25,639	$ -	$ -	$ 25,639		25,639
Other payables	321			321		321
Builder overpayments	49,500			49,500		49,500
Accrued interest payable					67,264	67,264
Bond anticipation note payable					6,363,000	6,363,000
Due to developer					5,459,670	5,459,670
Long-term debt						
Due within one year					150,000	150,000
Due after one year					9,134,288	9,134,288
Total Liabilities	75,460			75,460	21,174,222	21,249,682
Deferred Inflows of Resources						
Deferred property taxes	2,082	3,434		5,516	(5,516)	
Deferred builder fines	54,750			54,750	(54,750)	
Fund Balance/Net Position						
Fund Balance						
Restricted		339,995	68,143	408,138	(408,138)	
Unassigned	1,971,540			1,971,540	(1,971,540)	
Total Fund Balance	1,971,540	339,995	68,143	2,379,678	(2,379,678)	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 2,103,832	$ 343,429	$ 68,143	$ 2,515,404		
Net Position						
Net investment in capital assets					(41,586)	(41,586)
Restricted for debt service					343,429	343,429
Unrestricted					(18,877,457)	(18,877,457)
Total Net Position					$ (18,575,614)	$ (18,575,614)

See notes to basic financial statements.

Crosswinds Municipal Utility District
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance
For the Year Ended September 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Service availability fees	$ 63,000	$ -	$ -	$ 63,000	$ -	$ 63,000
Permit fees	14,000			14,000		14,000
Property taxes	401,569	480,046		881,615	(759)	880,856
Penalties and interest	1,113	1,332		2,445	(127)	2,318
Miscellaneous	53,332			53,332	54,750	108,082
Investment earnings	13,639	3,430	1,024	18,093		18,093
Total Revenues	546,653	484,808	1,024	1,032,485	53,864	1,086,349
Expenditures/Expenses						
Operating and administrative						
Professional fees	147,129	1,198		148,327		148,327
Contracted services	33,324	3,230		36,554		36,554
Repairs and maintenance	194,300			194,300		194,300
Utilities	9,037			9,037		9,037
Administrative	22,689			22,689		22,689
Other	1,302	950	1,665	3,917		3,917
Capital outlay			6,984,416	6,984,416	(6,984,416)	
Debt service						
Principal		75,000		75,000	(75,000)	
Interest and fees		296,279		296,279	68,293	364,572
Developer interest			277,240	277,240		277,240
Debt issuance costs			491,877	491,877		491,877
Amortization					1,360	1,360
Total Expenditures/Expenses	407,781	376,657	7,755,198	8,539,636	(6,989,763)	1,549,873
Revenues Over/(Under) Expenditures/Expenses	138,872	108,151	(7,754,174)	(7,507,151)	7,043,627	(463,524)
Other Financing Sources/(Uses)						
Proceeds from sale of bonds			2,805,000	2,805,000	(2,805,000)	
Proceeds from bond anticipation note			6,363,000	6,363,000	(6,363,000)	
Repayment of developer advances			(11,000)	(11,000)	11,000	
Other Items						
Capital contribution			(1,333,192)	(1,333,192)		(1,333,192)
Change in estimate of due to developer					798,639	798,639
Net Change in Fund Balance	138,872	108,151	69,634	316,657	(316,657)	
Change in Net Position					(998,077)	(998,077)
Fund Balance/Net Position						
Beginning of the year	1,832,668	231,844	(1,491)	2,063,021	(19,640,558)	(17,577,537)
End of the year	$ 1,971,540	$ 339,995	$ 68,143	$ 2,379,678	$ (20,955,292)	$ (18,575,614)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Crosswinds Municipal Utility District (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to Senate Bill 1862, 83rd (R) Session of the Texas Legislature, dated June 14, 2013, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The District added additional Road Powers pursuant to House Bill 2401, 84th (R) Session on June 16, 2015. The Board of Directors held its first meeting on August 26, 2013 and the first bonds were issued on November 13, 2018.

The District is responsible for providing water, sewer and drainage facilities within the District. As further discussed in Note 10, the District transfers water and sewer facilities to the City of Kyle for operation and maintenance upon completion of construction. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities.*

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or "major" funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and service availability and permit fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer, drainage and road facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full 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 revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, interest earned on investments and service availability and permit fees. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At September 30, 2022, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of $50,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which consist of impact fees paid to the City of Kyle, are amortized using the straight-line method over the remaining life of the District's contract with the City (maximum 30 years).

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes and builder fines receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to the City of Kyle and Hays County, and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Fund Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds		$ 2,379,678
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Historical cost	$ 166,824	
Less accumulated amortization	(8,160)	
Change due to capital assets		158,664
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:		
Bonds payable, net	(9,284,288)	
Bond anticipation note payable	(6,363,000)	
Interest payable on bonds	(67,264)	
Change due to long-term debt		(15,714,552)
Amounts due to the District's developer for prefunded construction and developer advances are recorded as a liability in the *Statement of Net Position.*		(5,459,670)
Property taxes receivable have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.		5,516
Service availability and permit fees that have been billed and are due, but are not available soon enough to pay current period expenditures, are deferred in the funds.		54,750
Total net position - governmental activities		$ (18,575,614)

Note 2 – Adjustment from Governmental to Government-wide Basis (continued)

Reconciliation of the *Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balance - total governmental funds		$ 316,657
Governmental fund do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference consists of:		
Builder fines	$ 54,750	
Property taxes, penalties and interest	(886)	
		53,864
Governmental funds report capital outlays for developer reimbursements and construction costs as expenditures in the funds; however, in the *Statement of Activities*, the cost of capital assets is charged to expense over the estimated useful life of the assets. Amounts reimbursed to the developer reduce the liability for due to developer in the *Statement of Net Position.*		
Capital outlays	6,984,416	
Amortization expense	(1,360)	
		6,983,056
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.		
Issuance of long-term debt	(2,805,000)	
Issuance of bond anticipation note	(6,363,000)	
Principal payments	75,000	
Interest expense accrual	(68,293)	
		(9,161,293)
Amounts repaid to the District's developer for operating advances do not use financial resources at the fund level, but reduce the liability in the *Statement of Net Position.*		11,000
Revisions in the estimated amount due to developer do not provide financial resources in the funds; but result in an adjustment to net position in *Statement of Activities.*		798,639
Change in net position of governmental activities		$ (998,077)

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District's written investment policy establishes additional requirements for collateralization of deposits.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed. This policy further restricts the types of investments in which the District may invest.

As of September 30, 2022, the District's investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexPool	General	$ 1,835,761		
	Debt Service	340,266		
	Capital Projects	120,580		
		$ 2,296,607	AAAm	25 days

Note 3 – Deposits and Investments (continued)

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District's position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District's investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at September 30, 2022, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 271	Maintenance tax collections not remitted as of year end
General Fund	Capital Projects Fund	52,440	Costs related to bond issuance paid by the General Fund

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended September 30, 2022, is as follows:

	Beginning Balances	Additions	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ -	$ 128,732	$ 128,732
Capital assets being amortized			
Impact fees for irrigation meters	38,092		38,092
Less accumulated amortization	(6,800)	(1,360)	(8,160)
Subtotal depreciable capital assets, net	31,292	(1,360)	29,932
Capital assets, net	$ 31,292	$ 127,372	$ 158,664

Depreciation expense for the current year was $1,360.

Note 6 – Bond Anticipation Note

The District uses a bond anticipation note (BAN) to provide short-term financing for reimbursements to its developers. Despite its short-term nature, a BAN is not recorded as a fund liability, since it will not be repaid from current financial resources and will be repaid through the issuance of long-term debt or another BAN. It is, however, recorded as a liability at the government-wide level.

On May 19, 2022, the District issued a $6,363,000 BAN with an interest rate of 2.84%, which is due on May 18, 2023. This BAN was repaid subsequent to year end. See Note 13 for additional information.

The effect of this transaction on the District's short-term obligations are as follows:

Beginning balance	$ -
Amounts borrowed	6,363,000
Ending balance	$ 6,363,000

Note 7 – Due to Developer

The District has entered into financing agreements with its developer for the financing of the construction of water, sewer, drainage facilities and road improvements. Under the agreements, the developer will advance funds for the construction of facilities to serve the District. The developer will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developer is reimbursed.

The District's developer has also advanced funds to the District for operating expenses.

Changes in the estimated amounts due to developer during the year are as follows:

Due to developer, beginning of year	$	13,124,993
Developer reimbursements		(6,995,416)
Developer funded construction and adjustments		(669,907)
Due to developer, end of year	$	5,459,670

During the current year, the District revised its estimate of the amounts due to developer for certain capital assets and adjusted the values of those assets accordingly.

In addition, the District will owe the developer approximately $22,478,710, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

		Contract Amount	Percent Complete
Crosswinds Subdivision Phase 3-A	$	8,201,768	89%
Crosswinds Subdivision Phase 4-A		2,800,822	69%
Crosswinds Subdivision Phase 5-A/B		4,712,863	9%
Crosswinds Subdivision Phase 6		2,746,082	52%
Crosswinds elevated water storage tank		1,217,071	27%
Crosswinds ground storage tank and pump station		2,800,104	6%
	$	22,478,710	

Note 8 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$	9,310,000
Unamortized discounts		(25,712)
	$	9,284,288
Due within one year	$	150,000

The District's bonds payable at September 30, 2022, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2018 Road	$ 3,175,000	$ 3,250,000	4.00% - 4.375%	April 1, 2022/2046	April 1, October 1	April 1, 2023
2020 Road	3,330,000	3,330,000	2.00% - 3.00%	April 1, 2023/2047	April 1, October 1	April 1, 2025
2021	2,805,000	3,805,000	2.00% - 4.50%	April 1, 2024/2048	April 1, October 1	April 1, 2026
	$ 9,310,000					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At September 30, 2022, the District had authorized but unissued bonds in the amount of $87,195,000 for water, sewer and drainage facilities and $90,000,000 for the refunding of such bonds; and $28,720,000 for road facilities and $45,890,000 for the refunding of such bonds.

On October 7, 2021, the District issued its $2,805,000 Series 2021 Unlimited Tax Bonds at a net effective interest rate of 2.660262%. Proceeds of the bonds were used (1) to reimburse developers for the following: the construction of capital assets within the District, the acquisition of land for certain District facilities, and operating advances; (2) to repay consultants for operating costs of the district; (3) and to pay developer interest at the net effective interest rate of the bonds.

Note 8 – Long-Term Debt (continued)

The change in the District's long-term debt during the year is as follows:

Bonds payable, beginning of year	$	6,580,000
Bonds issued		2,805,000
Bonds retired		(75,000)
Bonds payable, end of year	$	9,310,000

The debt service payment due October 1 was made during the current fiscal year. The following schedule was prepared presuming this practice will continue. As of September 30, 2022, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2023	$ 150,000	$ 292,743	$ 442,743
2024	225,000	286,556	511,556
2025	225,000	278,681	503,681
2026	230,000	270,693	500,693
2027	280,000	261,968	541,968
2028	285,000	252,893	537,893
2029	285,000	244,493	529,493
2030	290,000	236,393	526,393
2031	295,000	228,092	523,092
2032	345,000	218,879	563,879
2033	350,000	208,804	558,804
2034	355,000	198,551	553,551
2035	355,000	188,039	543,039
2036	360,000	177,183	537,183
2037	415,000	165,199	580,199
2038	415,000	152,090	567,090
2039	420,000	138,712	558,712
2040	450,000	124,491	574,491
2041	480,000	109,054	589,054
2042	485,000	93,088	578,088
2043	485,000	76,915	561,915
2044	515,000	59,990	574,990
2045	545,000	41,981	586,981
2046	550,000	23,470	573,470
2047	360,000	9,131	369,131
2048	160,000	2,040	162,040
	$ 9,310,000	$ 4,340,129	$ 13,650,129

Note 9 – Property Taxes

On November 5, 2013, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.00 per $100 of assessed value. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

All property values and exempt status, if any, are determined by the Hays County Central Appraisal District. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Property taxes are collected based on rates adopted in the year of the levy. The District's 2022 fiscal year was financed through the 2021 tax levy, pursuant to which the District levied property taxes of $0.90 per $100 of assessed value, of which $0.41 was allocated to maintenance and operations; $0.14 was allocated to water, sewer, and drainage debt service; and $0.35 was allocated to road debt service. The resulting tax levy was $881,013 on the adjusted taxable value of $97,890,336.

Property taxes receivable, at September 30, 2022, consisted of the following:

Current year taxes receivable	$ 4,369
Prior year taxes receivable	206
	4,575
Penalty and interest receivable	941
Property taxes receivable	$ 5,516

Note 10 – Utility Agreement with the City of Kyle

On July 30, 2015, the District entered into a utility agreement with the City of Kyle (the "City") for construction and extension of water distribution lines and sanitary sewer collection systems to serve the District. As the system is acquired or constructed, the District shall transfer the system to the City for operation and maintenance but will reserve a security interest in the system. The District has an intangible interest in the capacity in the City's water and wastewater systems up to the capacity designed for the provision of retail water and wastewater serviced to the District by the City to the extent of the designed capacity of the conveyed systems and payment of associated costs paid by the District. The term of the agreement is 30 years.

Water and sewer rates charged by the City to users in the District, shall be higher than the rates charged to similar users within the City. All revenue derived from these charges belongs to the City.

During the current year, the District reimbursed its developer $1,333,192 for amounts paid to the City of Kyle for the District's share of offsite wastewater projects constructed in previous fiscal years to provide service to the District.

Note 11 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 12 – Subsequent Event

On October 13, 2022, the District issued its $7,580,000 Series 2022 Unlimited Tax Bonds at a net effective rate of 4.610136%. Proceeds from the bonds were primarily used to repay a $6,363,000 BAN issued in the current fiscal year.

On January 12, 2023, the District issued its $2,820,000 Series 2023 Unlimited Tax Bonds at a net effective rate of 4.39777%. Proceeds from the bonds were used to reimburse the District's developers for operating advances and infrastructure improvements in the District.

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Required Supplementary Information

Crosswinds Municipal Utility District
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Service availability fees	$ -	$ 63,000	$ 63,000
Permit fees		14,000	14,000
Property taxes	399,351	401,569	2,218
Penalties and interest		1,113	1,113
Miscellaneous		53,332	53,332
Investment earnings	1,200	13,639	12,439
Total Revenues	400,551	546,653	146,102
Expenditures			
Operating and administrative			
Professional fees	149,800	147,129	2,671
Contracted services	36,600	33,324	3,276
Repairs and maintenance	162,000	194,300	(32,300)
Utilities	9,120	9,037	83
Administrative	19,220	22,689	(3,469)
Other	1,500	1,302	198
Total Expenditures	378,240	407,781	(29,541)
Revenues Over Expenditures	22,311	138,872	116,561
Fund Balance			
Beginning of the year	1,832,668	1,832,668	
End of the year	$ 1,854,979	$ 1,971,540	$ 116,561

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

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Texas Supplementary Information

1. Services provided by the District During the Fiscal Year:

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

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

☒ Other (Specify): Water and wastewater accepted by City of Kyle for operation and maintenance.

2. Retail Service Providers

a. Retail Rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water:					to
Wastewater:					to
Surcharge:					to

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

Total charges per 10,000 gallons usage: Water ______ Wastewater ______

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"			x 1.0	
1"			x 2.5	
1.5"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water				
Total Wastewater			x 1.0	

See accompanying auditor's report.

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

Gallons pumped into system:	N/A	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	N/A	N/A

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

Does the District have Debt Service standby fees?	Yes [ ]	No [X]
If yes, Date of the most recent commission Order:		
Does the District have Operation and Maintenance standby fees?	Yes [ ]	No [X]
If yes, Date of the most recent commission Order:		

5. Location of District:

Is the District located entirely within one county?	Yes [X]	No [ ]	
County(ies) in which the District is located:	Hays County		
Is the District located within a city?	Entirely [ ]	Partly [ ]	Not at all [X]
City(ies) in which the District is located:			
Is the District located within a city's extra territorial jurisdiction (ETJ)?	Entirely [X]	Partly [ ]	Not at all [ ]
ETJs in which the District is located:	City of Kyle		
Are Board members appointed by an office outside the district?	Yes [ ]	No [X]	
If Yes, by whom?			

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-2 General Fund Expenditures
For the Year Ended September 30, 2022

Professional fees	
Legal	$ 121,929
Audit	13,000
Engineering	12,200
	147,129
Contracted services	
Bookkeeping	18,623
Operator	12,000
Appraisal district fees	2,701
	33,324
Repairs and maintenance	194,300
Utilities	9,037
Administrative	
Directors fees	10,061
Insurance	11,986
Other	642
	22,689
Other	1,302
Total expenditures	$ 407,781

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-3. Investments
September 30, 2022

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexPool	Variable	N/A	$ 1,835,761
Debt Service			
TexPool	Variable	N/A	274,393
TexPool	Variable	N/A	4,129
TexPool	Variable	N/A	61,744
			340,266
Capital Projects			
TexPool	Variable	N/A	120,580
Total - All Funds			$ 2,296,607

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-4. Taxes Levied and Receivable
September 30, 2022

	Maintenance Taxes	Road Debt Service Taxes	Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	$ 2,371	$ 2,964	$ -	$ 5,335
Adjustments	(70)	(87)		(157)
Adjusted Receivable	2,301	2,877		5,178
2021 Original Tax Levy	390,297	333,180	133,272	856,749
Adjustments	11,054	9,436	3,774	24,264
Adjusted Tax Levy	401,351	342,616	137,046	881,013
Total to be accounted for	403,652	345,493	137,046	886,191
Tax collections:				
Current year	399,360	340,917	136,367	876,644
Prior years	2,210	2,762		4,972
Total Collections	401,570	343,679	136,367	881,616
Taxes Receivable, End of Year	$ 2,082	$ 1,814	$ 679	$ 4,575
Taxes Receivable, By Year				
2021	$ 1,991	$ 1,699	$ 679	$ 4,369
2020	91	115		206
Taxes Receivable, End of Year	$ 2,082	$ 1,814	$ 679	$ 4,575

	2021	2020	2019	2018
Property Valuations:				
Land	$ 22,729,270	$ 21,100,000	$ 11,124,110	$ 6,149,970
Improvements	79,599,190	44,256,500	31,668,209	12,750,020
Personal Property	220,198	287,008	102,476	165,874
Exemptions	(4,658,322)	(2,719,835)	(3,470,092)	(2,098,968)
Total Property Valuations	$ 97,890,336	$ 62,923,673	$ 39,424,703	$ 16,966,896
Tax Rates per $100 Valuation:				
Maintenance tax rate	$ 0.41	$ 0.40	$ 0.41	$ 0.90
Road debt service tax rates	0.35	0.50	0.49	
W-S-D debt service tax rates	0.14			
Total Tax Rates per $100 Valuation	$ 0.90	$ 0.90	$ 0.90	$ 0.90
Adjusted Tax Levy:	$ 881,013	$ 566,313	$ 354,822	$ 152,702
Percentage of Taxes Collected to Taxes Levied **	99.50%	99.96%	100.00%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: $1.00 on November 5, 2013
** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2018 Road--by Years
September 30, 2022

Due During Fiscal Years Ending	Principal Due April 1	Interest Due April 1, October 1	Total
2023	$ 75,000	$ 130,813	$ 205,813
2024	75,000	127,813	202,813
2025	75,000	124,813	199,813
2026	75,000	121,813	196,813
2027	100,000	118,313	218,313
2028	100,000	114,313	214,313
2029	100,000	110,313	210,313
2030	100,000	106,313	206,313
2031	100,000	102,312	202,312
2032	125,000	97,812	222,812
2033	125,000	92,812	217,812
2034	125,000	87,812	212,812
2035	125,000	82,812	207,812
2036	125,000	77,734	202,734
2037	150,000	72,062	222,062
2038	150,000	65,781	215,781
2039	150,000	59,406	209,406
2040	175,000	52,500	227,500
2041	175,000	45,062	220,062
2042	175,000	37,625	212,625
2043	175,000	30,078	205,078
2044	200,000	21,875	221,875
2045	200,000	13,125	213,125
2046	200,000	4,375	204,375
	$ 3,175,000	$ 1,897,687	$ 5,072,687

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2020 Road--by Years
September 30, 2022

Due During Fiscal Years Ending	Principal Due April 1	Interest Due April 1, October 1	Total
2023	$ 75,000	$ 89,125	$ 164,125
2024	75,000	87,625	162,625
2025	75,000	86,125	161,125
2026	75,000	84,625	159,625
2027	100,000	82,800	182,800
2028	100,000	80,600	180,600
2029	100,000	78,325	178,325
2030	100,000	75,975	175,975
2031	100,000	73,525	173,525
2032	125,000	70,712	195,712
2033	125,000	67,587	192,587
2034	125,000	64,384	189,384
2035	125,000	61,103	186,103
2036	125,000	57,744	182,744
2037	150,000	53,963	203,963
2038	150,000	49,838	199,838
2039	150,000	45,713	195,713
2040	150,000	41,400	191,400
2041	175,000	36,525	211,525
2042	175,000	31,275	206,275
2043	175,000	26,025	201,025
2044	175,000	20,775	195,775
2045	200,000	15,150	215,150
2046	200,000	9,150	209,150
2047	205,000	3,075	208,075
	$ 3,330,000	$ 1,393,144	$ 4,723,144

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2021--by Years
September 30, 2022

Due During Fiscal Years Ending	Principal Due April 1	Interest Due April 1, October 1	Total
2023	$ -	$ 72,805	$ 72,805
2024	75,000	71,118	146,118
2025	75,000	67,743	142,743
2026	80,000	64,255	144,255
2027	80,000	60,855	140,855
2028	85,000	57,980	142,980
2029	85,000	55,855	140,855
2030	90,000	54,105	144,105
2031	95,000	52,255	147,255
2032	95,000	50,355	145,355
2033	100,000	48,405	148,405
2034	105,000	46,355	151,355
2035	105,000	44,124	149,124
2036	110,000	41,705	151,705
2037	115,000	39,174	154,174
2038	115,000	36,471	151,471
2039	120,000	33,593	153,593
2040	125,000	30,591	155,591
2041	130,000	27,467	157,467
2042	135,000	24,188	159,188
2043	135,000	20,812	155,812
2044	140,000	17,340	157,340
2045	145,000	13,706	158,706
2046	150,000	9,945	159,945
2047	155,000	6,056	161,056
2048	160,000	2,040	162,040
	$ 2,805,000	$ 1,049,298	$ 3,854,298

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
September 30, 2022

Due During Fiscal Years Ending	Principal Due April 1	Interest Due April 1, October 1	Total
2023	$ 150,000	$ 292,743	$ 442,743
2024	225,000	286,556	511,556
2025	225,000	278,681	503,681
2026	230,000	270,693	500,693
2027	280,000	261,968	541,968
2028	285,000	252,893	537,893
2029	285,000	244,493	529,493
2030	290,000	236,393	526,393
2031	295,000	228,092	523,092
2032	345,000	218,879	563,879
2033	350,000	208,804	558,804
2034	355,000	198,551	553,551
2035	355,000	188,039	543,039
2036	360,000	177,183	537,183
2037	415,000	165,199	580,199
2038	415,000	152,090	567,090
2039	420,000	138,712	558,712
2040	450,000	124,491	574,491
2041	480,000	109,054	589,054
2042	485,000	93,088	578,088
2043	485,000	76,915	561,915
2044	515,000	59,990	574,990
2045	545,000	41,981	586,981
2046	550,000	23,470	573,470
2047	360,000	9,131	369,131
2048	160,000	2,040	162,040
	$ 9,310,000	$ 4,340,129	$ 13,650,129

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-6. Change in Long-Term Bonded Debt
September 30, 2022

	Bond Issue			
	Series 2018 Road	Series 2020 Road	Series 2021	Totals
Interest rate	4.00% - 4.375%	2.00% - 3.00%	2.00% - 4.50%	
Dates interest payable	4/1; 10/1	4/1; 10/1	4/1; 10/1	
Maturity dates	4/1/22 - 4/1/46	4/1/23 - 4/1/47	4/1/24 - 4/1/48	
Beginning bonds outstanding	$ 3,250,000	$ 3,330,000	$ -	$ 6,580,000
Bonds issued			2,805,000	2,805,000
Bonds retired	(75,000)			(75,000)
Ending bonds outstanding	$ 3,175,000	$ 3,330,000	$ 2,805,000	$ 9,310,000
Interest paid during fiscal year	$ 133,813	$ 89,875	$ 72,805	$ 296,493
Paying agent's name and city All Series	UMB Bank, N.A., Austin, Texas			

Bond Authority:	Water, Sewer and Drainage Bonds	Water, Sewer and Drainage Refunding Bonds	Road Bonds	Road Refunding Bonds
Amount Authorized by Voters	$ 90,000,000	$ 90,000,000	$ 35,300,000	$ 45,890,000
Amount Issued	(2,805,000)		(6,580,000)	
Remaining To Be Issued	$ 87,195,000	$ 90,000,000	$ 28,720,000	$ 45,890,000

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund investment balances as of September 30, 2022:	$ 340,266
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 525,005

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2022	2021	2020	2019	2018
Revenues					
Service availability fees	$ 63,000	$ 234,000	$ 837,000	$ 333,000	$ 360,000
Permit fees	14,000	52,000	186,000	74,000	80,000
Property taxes	401,569	249,449	161,422	161,649	4,216
Penalties and interest	1,113	1,117	634	483	
Miscellaneous	53,332	30,750	1,687		
Investment earnings	13,639	880	7,986	9,313	379
Total Revenues	546,653	568,196	1,194,729	578,445	444,595
Expenditures					
Operating and administrative					
Professional fees	147,129	132,080	153,321	126,957	156,350
Contracted services	33,324	32,178	30,614	25,403	10,502
Repairs and maintenance	194,300	128,497	102,593	99,108	102,331
Utilities	9,037	8,806	8,604	3,880	3,864
Administrative	22,689	17,597	21,560	19,980	18,129
Other	1,302	711	983	900	900
Total Expenditures	407,781	319,869	317,675	276,228	292,076
Revenues Over Expenditures	$ 138,872	$ 248,327	$ 877,054	$ 302,217	$ 152,519

*Percentage is negligible

See accompanying auditors' report.

	Percent of Fund Total Revenues				
	2022	2021	2020	2019	2018
	13%	42%	69%	57%	81%
	2%	9%	16%	13%	18%
	73%	44%	14%	28%	1%
	*	*	*	*	
	10%	5%	*		
	2%	*	1%	2%	*
	100%	100%	100%	100%	100%
	27%	23%	13%	22%	35%
	6%	6%	3%	4%	2%
	36%	23%	9%	17%	23%
	2%	2%	1%	1%	1%
	4%	3%	2%	3%	4%
	*	*	*	*	*
	75%	57%	28%	47%	65%
	25%	43%	72%	53%	35%

Crosswinds Municipal Utility District
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Four Fiscal Years

	Amounts			
	2022	2021	2020	2019
Revenues				
Property taxes	$ 480,046	$ 311,806	$ 193,079	$ -
Penalties and interest	1,332	1,395	758	
Investment earnings	3,430	127	1,292	2,535
Total Revenues	484,808	313,328	195,129	2,535
Expenditures				
Professional fees	1,198	889		
Tax collection services	3,230	2,249	1,465	
Other	950	1,601	817	
Debt service				
Interest and fees	296,279	226,188	183,746	119,526
Total Expenditures	376,657	230,927	186,028	119,526
Revenues Over/(Under) Expenditures	$ 108,151	$ 82,401	$ 9,101	$ (116,991)

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues			
2022	2021	2020	2019
99%	100%	99%	
*	*	*	
1%	*	1%	100%
100%	100%	100%	100%
*	*		
1%	1%	1%	
*	1%	*	
61%	72%	94%	4715%
77%	74%	95%	4715%
23%	26%	5%	(4615%)

Crosswinds Municipal Utility District
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended September 30, 2022

Complete District Mailing Address:	401 Congress Avenue, Suite 2100, Austin, Texas 78701	
District Business Telephone Number:	(512) 370-2923	
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	January 20, 2021	
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.0600)		$ 7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Amy Laine	05/20 - 05/24	$ 1,650	$ 25	President
Lee Weber	05/22 - 05/26	1,800	627	Vice President
Elizabeth P. Edwards	05/20 - 05/24	1,800	627	Secretary
Anthony Dell'Abate	05/22 - 05/26	1,500	74	Assistant Secretary
Michael Gideon	05/20 - 05/24	1,650	52	Former Director
Consultants		Amounts Paid		
Andy Barrett & Associates, PLLC	2015	$ 95,248		Attorney
Winstead PC	2015	77,364		Attorney
Bott & Douhitt, PLLC	2020	18,276		Bookkeeper
Inframark, LLC	2018	46,218		Operator/Former Bookkeeper
Hays County Tax Assessor-Collector	2016	38		Tax Collector
Hays County Central Appraisal District	Legislation	4,049		Property Valuation
Carlson, Brigance & Doering, Inc.	2017	10,800		Engineer
McGrath & Co., PLLC	2017	13,500		Auditor
The GMS Group, LLC	2016	59,610		Financial Advisor

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

APPENDIX B

<u>PHOTOGRAPHS TAKEN IN THE DISTRICT</u>


CROSSWINDS


Meritage
Homes


HIGHLAND


Pacesetter














NO PARKING ON DRIVE
NO TRESPASSING
NO SALVAGE
PRIVATE PROPERTY




~~**APPENDIX C**~~

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, 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 first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such 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 BAM. 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 BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

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 (as defined herein) 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 BAM 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 made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or 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, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, BAM 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 BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM 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, 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. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____________________________________

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

APPENDIX D

FORM OF BOND COUNSEL'S OPINION

An opinion in substantially the following form will be delivered by Winstead PC, Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

The opinion will be issued on firm letterhead.

___________, 2023

CROSSWINDS MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX ROAD BONDS, SERIES 2023A
IN THE ORIGINAL PRINCIPAL AMOUNT OF $7,180,000

We have acted as "Bond Counsel" to Crosswinds Municipal Utility (the "District") in connection with the issuance of the bonds described above (the "Bonds") for the sole purpose of providing legal advice and traditional legal services to the District including 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 of interest on the Bonds from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data, or other material, but we have relied solely upon the transcript of certified proceedings, certifications, and other documents described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the District or the disclosure thereof in connection with the sale of the Bonds or with respect to the sufficiency of security or marketability of the Bonds. We have relied solely on information and certifications furnished to us by the District with respect to the current outstanding indebtedness of, and assessed valuation of taxable property within, the District.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds that contains certified copies of certain proceedings of the Board of Directors of the District (the "Board"); an order of the Board authorizing the Bonds adopted on October 11, 2023 (the "Order"); the Official Notice of Sale; the awarded bid; the approving opinion of the Attorney General of the State of Texas; customary certificates of officers, agents, and representatives of the District (including a "Federal Tax Certificate"), and other public officials; and other documents relating to the issuance of the Bonds. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the truth and accuracy of the statements contained in such certificates. We have also examined applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury Regulations, and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have examined executed Bond No. T-1.

Based on said examination and in accordance with customary legal opinion practice, it is our opinion that:

1. The District is a validly existing political subdivision of the State of Texas with power to adopt the Order, perform its agreements therein, and issue the Bonds.

2. The Bonds have been authorized, sold, and delivered in accordance with law.

3. The Bonds constitute valid and legally binding obligations of the District enforceable in accordance with their terms except as the enforceability thereof may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws now or hereafter enacted relating to creditors' rights generally.

4. Ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District, necessary to pay the interest on and principal of the Bonds, have been pledged irrevocably for such purpose.

5. Interest on the Bonds is excludable from gross income for federal income tax purposes under section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest may be taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

We call your attention to the fact that the ownership of obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, certain S corporations with Subchapter C earnings and profits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred expenses allocable to, tax-exempt obligations.

The Service has an ongoing audit program to determine compliance with rules relating to whether interest on state or local obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Bonds. If such an audit is commenced, under current procedures, the Service would treat the District as the taxpayer, and owners of the Bonds would have no right to participate in the audit process. 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.

In rendering these opinions, we have relied upon representations and certifications of the District, the District's financial advisor, and the initial purchaser of the Bonds with respect to matters solely within the knowledge of such parties, respectively, which we have not independently verified, and we assume continuing compliance by the District with covenants pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. If such representations and certifications are determined to be inaccurate or incomplete, or the District fails to comply with the foregoing covenants, interest on the Bonds could become includable in gross income retroactively to the date of issuance of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any other federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on or the acquisition, ownership, or disposition of the Bonds.

The opinions set forth above are based on existing laws of the United States (including statutes, regulations, published rulings, and court decisions) and the State of Texas, which are 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 hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based on our review of existing law, and are made in reliance on the representations and covenants referenced above that we deem relevant to such opinions.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds, the sufficiency of the security for, or the marketability of the Bonds.

This legal opinion expresses the professional judgment of this firm as to the legal issues explicitly addressed therein and is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. In rendering a legal opinion, we do not become an insurer or guarantor of that 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 our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Respectfully submitted,