

OFFICIAL STATEMENT DATED NOVEMBER 25, 2024

IN THE OPINION OF BOND COUNSEL, HEREIN DEFINED UNDER EXISTING LAW, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES, AND INTEREST ON THE BONDS 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 OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE "TAX MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

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

NEW ISSUE – Book Entry Only

Non-Rated

WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 51

(A Political Subdivision of the State of Texas Located within Williamson County)

\$5,500,000

Unlimited Tax Road Bonds

Series 2024

Dated: December 1, 2024

Due: September 1, as shown on inside cover

Interest Accrues: From the Date of Delivery

The \$5,500,000 Unlimited Tax Road Bonds, Series 2024 (the "Bonds"), are obligations of Williamson County Municipal Utility District No. 51 (the "District") and are not obligations of the State of Texas; Williamson County, Texas; or any political subdivision or entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Williamson County, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). The Bonds are dated December 1, 2024 (the "Dated Date"), and will accrue interest from the date of delivery, which is expected to be on or about December 13, 2024 (the "Date of Delivery"), with interest payable March 1, 2025, and each September 1 and March 1 thereafter until the earlier of stated maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to registered owners ("Registered Owners") as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date (the "Record Date"). The Bonds are fully registered bonds in principal denominations of \$5,000 or any integral multiple thereof.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar directly to DTC, which, in turn, will remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "THE BONDS – Book-Entry-Only System" herein for further information.

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

The Bonds are the first series of unlimited tax bonds to be issued by the District for the purpose of acquiring or constructing road facilities serving the District. When issued, the Bonds will constitute valid and binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District.

Investment in the Bonds is subject to certain risk factors as described herein. Prospective purchasers should review this entire Official Statement, including particularly the section of this Official Statement entitled "RISK FACTORS," before making an investment decision. See "RISK FACTORS."

The Bonds are offered subject to prior sale, when, as, and if issued by the District and accepted by the winning bidder for the Bonds (the "Initial Purchaser"), subject to the approval of the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Austin, Texas, Bond Counsel. Delivery of the Bonds through DTC is expected on or about December 13, 2024.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND INITIAL REOFFERING YIELDS

\$5,500,000 Unlimited Tax Road Bonds, Series 2024

\$885,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 97003A (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 97003A (b)
2026	\$130,000	6.750%	4.000%	AA8	2029	\$ 150,000	6.750%	4.100%	AD2
2027	140,000	6.750%	4.000%	AB6	2030	155,000	6.750%	4.150%	AE0
2028	145,000	6.750%	4.050%	AC4	2031 (c)	165,000	6.750%	4.200%	AF7

\$4,615,000 Term Bonds

\$1,380,000 Term Bond Due September 1, 2038 (c)(d), Interest Rate: 4.250% (Price: \$99.480) (a), CUSIP No. 97003A AN0 (b)

\$1,000,000 Term Bond Due September 1, 2042 (c)(d), Interest Rate: 4.250% (Price: \$97.560) (a), CUSIP No. 97003A AS9 (b)

\$1,195,000 Term Bond Due September 1, 2046 (c)(d), Interest Rate: 4.375% (Price: \$96.259) (a), CUSIP No. 97003A AW0 (b)

\$1,040,000 Term Bond Due September 1, 2049 (c)(d), Interest Rate: 4.250% (Price: \$92.766) (a), CUSIP No. 97003A AZ3 (b)

-
- (a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser (defined below). Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first call date.
- (b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds.
- (c) Bonds maturing on September 1, 2031, and thereafter, shall be subject to redemption and payment prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption of the Bonds."
- (d) Subject to mandatory redemption by lot or other customary method of random selection on September 1 in the years and in the amounts set forth under "THE BONDS – Redemption of the Bonds – Mandatory Redemption."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are available from Bond Counsel, for further information.

The Financial Advisor (herein defined) has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility 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.

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 qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions, or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. 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 such information actually comes to its attention, the other matters described in this Official Statement, until delivery of the Bonds to the Initial Purchaser 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 any purposes.

TABLE OF CONTENTS

<p>USE OF INFORMATION IN OFFICIAL STATEMENT .. 1</p> <p>SALE AND DISTRIBUTION OF THE BONDS 3</p> <p style="padding-left: 20px;">Award of the Bonds..... 3</p> <p style="padding-left: 20px;">Prices and Marketability..... 3</p> <p style="padding-left: 20px;">Securities Laws 3</p> <p style="padding-left: 20px;">Delivery of Official Statements..... 3</p> <p>MUNICIPAL BOND INSURANCE AND RATING 4</p> <p>OFFICIAL STATEMENT SUMMARY 5</p> <p>INTRODUCTION..... 11</p> <p>RISK FACTORS..... 11</p> <p style="padding-left: 20px;">General..... 11</p> <p style="padding-left: 20px;">Factors Affecting Taxable Values and Tax</p> <p style="padding-left: 40px;">Payments..... 11</p> <p style="padding-left: 20px;">Operating Funds 12</p> <p style="padding-left: 20px;">Competitive Nature of Austin Residential</p> <p style="padding-left: 40px;">Housing Market 13</p> <p style="padding-left: 20px;">Tax Collection Limitations 13</p> <p style="padding-left: 20px;">Registered Owners’ Remedies and Bankruptcy.. 13</p>	<p>Marketability..... 14</p> <p>Future Debt..... 14</p> <p>Continuing Compliance with Certain Covenants 14</p> <p>Environmental Regulations..... 15</p> <p>Potential Impact of Natural Disaster 17</p> <p>National Weather Service Atlas 14 Rainfall</p> <p style="padding-left: 20px;">Study..... 17</p> <p>Approval of the Bonds 17</p> <p>Future and Proposed Legislation..... 17</p> <p>THE BONDS..... 17</p> <p style="padding-left: 20px;">General..... 17</p> <p style="padding-left: 20px;">Successor Paying Agent/Registrar 18</p> <p style="padding-left: 20px;">Registration, Transfer and Exchange 18</p> <p style="padding-left: 20px;">Record Date for Interest Payment..... 18</p> <p style="padding-left: 20px;">Redemption of the Bonds 19</p> <p style="padding-left: 20px;">Mutilated, Lost, Stolen or Destroyed Bonds..... 20</p> <p style="padding-left: 20px;">Authority for Issuance 20</p> <p style="padding-left: 20px;">Source of Payment..... 20</p>
--	---

Funds.....	21	Property Subject to Taxation by the District.....	40
Issuance of Additional Debt.....	21	Tax Abatement.....	41
No Arbitrage.....	22	Valuation of Property for Taxation.....	41
Consolidation.....	22	District and Taxpayer Remedies.....	42
Defeasance.....	22	Tax Payment Installments After Disaster.....	42
Legal Investment and Eligibility to Secure		Levy and Collection of Taxes.....	42
Public Funds in Texas.....	23	Rollback of Operation and Maintenance Tax	
Registered Owners' Remedies.....	23	Rate.....	43
Use and Distribution of Proceeds of the Bonds.....	25	District's Rights in the Event of Tax	
Book-Entry-Only System.....	26	Delinquencies.....	44
THE DISTRICT.....	27	TAX DATA.....	44
Authority.....	27	General.....	44
Description.....	28	Tax Rate Limitation.....	45
Management of the District.....	28	Maintenance Tax.....	45
Investment Policy.....	28	Debt Service Tax.....	45
Consultants.....	28	Additional Penalties.....	45
General Fund Operating Statement.....	30	Tax Rate Calculations.....	45
DEVELOPMENT OF THE DISTRICT.....	31	Estimated Overlapping Taxes.....	46
Status of Development within the District.....	31	Historical Tax Collections.....	46
Homebuilders within the District.....	31	Tax Rate Distribution.....	46
THE DEVELOPER.....	32	Taxable Assessed Valuation Summary.....	46
Role of the Developer.....	32	Principal Taxpayers.....	47
The Developer.....	33	LEGAL MATTERS.....	47
Developer Financing.....	33	Legal Opinions.....	47
Lot-Sales Contracts.....	33	No-Litigation Certificate.....	48
THE UTILITY SYSTEM.....	33	No Material Adverse Change.....	48
Regulation.....	33	TAX MATTERS.....	48
Water Supply and Distribution.....	34	Tax Accounting Treatment of Original Issue	
Wastewater Treatment.....	34	Discount Bonds.....	49
Drainage.....	34	Qualified Tax-Exempt Obligations.....	50
100-Year Flood Plain.....	34	CONTINUING DISCLOSURE OF INFORMATION.....	50
National Weather Service Atlas 14 Rainfall		Annual Reports.....	50
Study.....	34	Event Notices.....	51
THE ROAD SYSTEM.....	34	Availability of Information from EMMA.....	51
PHOTOGRAPHS TAKEN WITHIN THE DISTRICT.....	35	Limitations and Amendments.....	52
DISTRICT DEBT.....	37	Compliance with Prior Undertakings.....	52
Debt Service Requirement Schedule.....	37	OFFICIAL STATEMENT.....	52
Bonded Indebtedness.....	38	General.....	52
Direct and Estimated Overlapping Debt		Experts.....	52
Statement.....	39	Certification as to Official Statement.....	53
Debt Ratios.....	39	Updating of Official Statement.....	53
TAXING PROCEDURES.....	39	CONCLUDING STATEMENT.....	53
Authority to Levy Taxes.....	39	APPENDIX A Financial Statements of the District	
Property Tax Code and County-Wide Appraisal			
District.....	39		

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser") to purchase the Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND INITIAL REOFFERING YIELDS" at a price of 97.004363% of the par value, which resulted in a net effective interest rate of 4.596290%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

Prices and Marketability

Subject to certain restrictions described in the Official Notice of Sale, the District has no control over the reoffering yields or prices of the Bonds or over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked prices of the Bonds may be greater than the difference between the bid and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold, or traded in the secondary market.

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

Subject to certain restrictions described in the Official Notice of Sale, the prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THIS OFFERING, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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 exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdictions. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds should not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

Delivery of Official Statements

The District shall furnish to the Initial Purchaser (and to each participating underwriter of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements agreed upon between the District and the Initial Purchaser. The District also shall furnish to the Initial Purchaser a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential underwriters of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Initial Purchaser may reasonably request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f)(2). The District shall pay the expense of preparing the

number of copies of the Official Statement agreed upon between the District and the Initial Purchaser and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchaser shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

MUNICIPAL BOND INSURANCE AND RATING

The District made applications for a commitment to provide municipal bond insurance on the Bonds, but did not qualify. However, the District has not made an application for a rating on the Bonds. Furthermore, it is not expected that the District would have been successful in receiving an investment grade rating on the Bonds.

[Remainder of this page intentionally left blank]

OFFICIAL STATEMENT SUMMARY

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

THE BONDS

- The District..... Williamson County Municipal Utility District No. 51 (the “District”), a political subdivision of the State of Texas, is located in Williamson County, Texas. See “THE DISTRICT.”

- The Bonds..... The District’s \$5,500,000 Unlimited Tax Road Bonds, Series 2024 (the “Bonds”), are dated December 1, 2024, and mature on September 1 in each of the years and in the principal amounts set forth on the inside cover page hereof. The Bonds are dated December 1, 2024 (the “Dated Date”), and will accrue interest from the date of delivery, which is expected to be on or about December 13, 2024 (the “Date of Delivery”), with interest payable March 1, 2025, and each September 1 and March 1 thereafter until the earlier of stated maturity or redemption. See “THE BONDS.”

- Redemption..... The Bonds maturing on and after September 1, 2031, are subject to redemption, in whole or from time to time in part, on September 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See “THE BONDS – Redemption of the Bonds - *Optional Redemption.*”

The Bonds mature serially on September 1 in each of the years 2026 through 2031, both inclusive. The Bonds maturing on September 1 in the years 2038, 2042, 2046, and 2049 are term bonds that are also subject to mandatory redemption provisions set out under “THE BONDS - Redemption of the Bonds - *Mandatory Redemption.*”

- Book-Entry-Only System..... The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”), pursuant to the book-entry-only system described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (hereinafter defined) thereof. Principal of and interest on the Bonds will be payable by BOKF, NA, Dallas, Texas (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.”

- Authority for Issuance..... The Bonds are issued by the District pursuant to the terms and conditions of a resolution authorizing the issuance of the Bonds (the “Bond Resolution”); Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended; Chapter 8221, Texas Special District Local Laws Code; the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas; and an election held within the boundaries of the District on November 8, 2022. See “THE BONDS – Authority for Issuance.”

Source of Payment.....	The Bonds will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The Bonds are obligations of the District and are not obligations of the State of Texas; Williamson County, Texas; or any entity other than the District. See “THE BONDS – Source of Payment.”
Payment Record.....	The Bonds represent the District’s first issuance of bonded indebtedness.
Use of Proceeds of the Bonds.....	Proceeds from sale of the Bonds will be used to reimburse the Developer (herein defined) for expenditures related to certain road improvements in the District as set out herein under “THE BONDS – Use and Distribution of Proceeds of the Bonds.” Proceeds of the Bonds will also be used to pay eighteen (18) months of capitalized interest on the Bonds, developer interest, and to pay costs of issuance of the Bonds. See “THE BONDS – Use and Distribution of Proceeds of the Bonds” for further information.
Qualified Tax-Exempt Obligations.....	The Bonds have been designated as “qualified tax-exempt obligations” for financial institutions. See “TAX MATTERS – Qualified Tax-Exempt Obligations.”
Municipal Bond Insurance and Rating.....	The District made applications for a commitment to provide municipal bond insurance on the Bonds, but did not qualify. However, the District has not made an application for a rating on the Bonds. Furthermore, it is not expected that the District would have been successful in receiving an investment grade rating on the Bonds. See “MUNICIPAL BOND INSURANCE AND RATING” herein.
Legal Opinion	Allen Boone Humphries Robinson LLP, Austin, Texas. See “LEGAL MATTERS.”
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor.....	Robert W. Baird & Co. Incorporated, Houston, Texas.

THE DISTRICT

Description.....	The District is a political subdivision of the State of Texas located approximately eleven miles northwest of the City of Georgetown, Texas (the “City”). The District consists of approximately 523.59 total acres situated entirely outside of the corporate limits and extraterritorial jurisdiction of the City. The District was created by Acts of the 80th Legislature of the State of Texas, Regular Session, House Bill 4072, effective June 15, 2007, codified as Chapter 8221 of the Texas Special District Local Laws Code, pursuant to Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District was granted road powers by Acts of the 81st Legislature of the State of Texas, Regular Session, House Bill 4779, effective June 19, 2009, which amended Chapter 8221 to add authority for financing road projects. The District was previously named 3 B&J Municipal Utility District. The District’s name was changed to Williamson County Municipal Utility District No. 51 by Acts of the 88 th Legislature of the State of Texas, Regular Session, House Bill No. 5344, effective June 13, 2023. The District is subject to oversight by the Texas Commission on Environmental Quality under the provisions of the Texas Water Code. See “THE DISTRICT.”
------------------	---

Development within the District.....The Developer is developing a master planned community commonly known as “Nolina.” To date, approximately 167 acres within the District have been developed as 279 total single-family lots in the following residential subdivisions: Benton Phase 1, Section 1-1, and Benton Phase 1, Section 1-2. As of October 15, 2024, the District included approximately 57 completed homes (approximately 14 occupied, 36 unoccupied, and 7 model homes); approximately 26 homes under construction; and approximately 196 vacant developed lots.

Benton Phase 1, Section 1-3 and Nolina Phase 1, Section 2A on approximately 77.102 acres are currently under construction and are expected to be substantially complete by the 1st quarter of 2025.

Nolina includes an amenity center known as The Wildflower House, an approximately 4.3-acre area which includes a recreational center building, fitness center, pool, playground, splash pad and yoga lawn as well as trails and a pocket park. The Wildflower House opened in May 2024.

The remaining land in the District consists of approximately 74 remaining developable acres for future single-family and multi-family development, approximately 11.4 acres for commercial use, approximately 2.00 acres for a fire station and approximately 187.20 acres of undevelopable lands (including parks, open space, and major rights-of-way).

See “DEVELOPMENT OF THE DISTRICT – Status of Development within the District.”

The Developer.....The developer of land in the District is JDS RR LLC, a Texas limited liability company (the “Developer”). The Developer is wholly owned by JDS RR Investors, LP, the general partner of which is JDS SA Investors GP LLC, and is an affiliate of Johnson Development Corp. (“JDC”).

The Developer is a single purpose entity formed and capitalized for the purpose of developing the land it owns within the District. The Developer is a nominally capitalized limited liability company whose assets primarily consist of the land it owns in the District and the receivables due from the District for development costs. The Developer has minimal net revenues.

The Developer has developed approximately 167 acres of land within the District as the residential subdivisions of Benton Phase 1, Section 1-1, and Benton Phase 1, Section 1-2, and continues to own approximately 74 remaining developable acres within the District and 196 vacant developed lots. See “THE DEVELOPER.”

Homebuilders within the District.....Homebuilders currently active in the District include Chesmar Homes, Taylor Morrison, Perry Homes, and Westin Homes. Prices of homes being constructed in the District range from approximately \$350,000 to approximately \$900,000. See “DEVELOPMENT OF THE DISTRICT – Homebuilders within the District.”

RISK FACTORS

THE DISTRICT'S TAXES ARE LEVIED ONLY ON THE PROPERTY LOCATED WITHIN THE DISTRICT. THEREFORE, THE INVESTMENT SECURITY AND QUALITY OF THE BONDS IS DEPENDENT UPON THE SUCCESSFUL DEVELOPMENT OF PROPERTY LOCATED WITHIN THE DISTRICT AND THE PAYMENT AND COLLECTION OF TAXES LEVIED THEREON. THE BONDS ARE SUBJECT TO CERTAIN RISK FACTORS. PROSPECTIVE PURCHASERS SHOULD REVIEW THIS ENTIRE OFFICIAL STATEMENT, INCLUDING PARTICULARLY THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "RISK FACTORS," BEFORE MAKING AN INVESTMENT DECISION.

[Remainder of this page intentionally left blank]

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2024 Taxable Assessed Valuation.....	\$ 22,725,640	(a)
Estimate of Value as of September 1, 2024	\$ 50,500,000	(b)
Direct Debt:		
The Bonds	<u>\$ 5,500,000</u>	
Total.....	\$ 5,500,000	
Estimated Overlapping Debt.....	<u>\$ 1,604,075</u>	(c)
Total Direct and Estimated Overlapping Debt	\$ 7,104,075	(c)
Direct Debt Ratios:		
As a percentage of the 2024 Taxable Assessed Valuation.....	24.20	%
As a percentage of the Estimate of Value as of September 1, 2024.....	10.89	%
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of the 2024 Taxable Assessed Valuation.....	31.26	%
As a percentage of the Estimate of Value as of September 1, 2024.....	14.07	%
Road Debt Service Fund Balance.....	\$ 386,053	(d)
General Operating Fund Balance (as of October 28, 2024).....	\$ 26,042	(e)

-
- (a) Represents the taxable assessed valuation as of January 1, 2024, of all taxable property in the District, as certified by the Williamson Central Appraisal District (the "Appraisal District"). See "TAX DATA" and "TAXING PROCEDURES."
- (b) Provided by the Williamson Central Appraisal District for informational purposes only, this amount is an estimate of the taxable value of all taxable property located within the District as of September 1, 2024 and includes an estimate of additional taxable value resulting from additional of taxable improvements constructed in the District from January 1, 2024 through September 1, 2024. No taxes will be levied on this estimated value. Increases in value occurring between January 1, 2024, and January 1, 2025, will be certified as of January 1, 2025, and provided by the appraisal district for purposes of setting the District's ad valorem tax rate in the fall of 2025. See "TAX DATA" and "TAXING PROCEDURES."
- (c) See "DISTRICT DEBT - Direct and Estimated Overlapping Debt Statement."
- (d) Represents eighteen (18) months of capitalized interest which will be deposited in the Road Debt Service Fund (herein defined) upon closing and delivery of the Bonds. Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Road Debt Service Fund. Funds in the Road Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System (herein defined) or for park and recreational facilities.
- (e) See "RISK FACTORS - Operating Funds."

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2024 Tax Rate per \$100 of Taxable Assessed Valuation		
Debt Service	\$0.000	
Maintenance and Operation.....	<u>\$0.950</u>	
Total.....	\$0.950	
Average Annual Debt Service Requirement on the Bonds (2025-2049)	\$367,986	(a)
Maximum Annual Debt Service Requirement on the Bonds (2027)	\$388,594	(a)
Debt Service Tax Rate per \$100 of Taxable Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Bonds (2025-2049)		
Based on the 2024 Taxable Assessed Valuation at 95% Tax Collections	\$1.71	
Based on the Estimate of Value as of September 1, 2024, at 95% Tax Collections...	\$0.77	
Debt Service Tax Rate per \$100 of Taxable Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Bonds (2027)		
Based on the 2024 Taxable Assessed Valuation at 95% Tax Collections	\$1.80	
Based on the Estimate of Value as of September 1, 2024, at 95% Tax Collections...	\$0.81	

(a) Represents the debt service requirements on the Bonds. See "DISTRICT DEBT – Debt Service Requirement Schedule."

WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 51

(A Political Subdivision of the State of Texas Located within Williamson County)

\$5,500,000

Unlimited Tax Road Bonds

Series 2024

INTRODUCTION

This Official Statement of Williamson County Municipal Utility District No. 51 (the “District”) is provided to furnish information with respect to the issuance by the District of its \$5,500,000 Unlimited Tax Road Bonds, Series 2024 (the “Bonds”).

The Bonds are issued by the District pursuant to the terms and conditions of a resolution authorizing the issuance of the Bonds (the “Bond Resolution”); House Bill 4072, an act of the 80th Legislature of the State of Texas (the “Texas Legislature”), Regular Session (2007), codified as Chapter 8221 of the Texas Special Districts Local Law Code, as amended by House Bill 4779, an act of the 81st Texas Legislature, Regular Session (2009), and House Bill 5344, an act of the 88th Texas Legislature, Regular Session (2023); Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended; the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas; and an election held within the boundaries of the District on November 8, 2022.

This Official Statement includes descriptions of the Bonds, the Developer (herein defined), the Bond Resolution, and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Allen Boone Humphries Robinson LLP, 919 Congress Avenue, Suite 1500, Austin, Texas 78701, upon payment of the costs of duplication therefor.

RISK FACTORS

General

The Bonds, which are obligations of the District and not of the State of Texas, Williamson County, Texas, or any political subdivision other than the District, will be secured by the proceeds of a continuing direct ad valorem tax, without legal limitation as to rate or amount, levied annually by the District against all taxable property located within the District. Therefore, the ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below. See “DEVELOPMENT OF THE DISTRICT,” “TAX DATA,” and “TAXING PROCEDURES.”

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development of the District is directly related to the vitality of the residential housing industry in the Austin, Texas metropolitan area. New residential housing construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of home construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development or home construction in the District.

Principal Landowner/Developer: There is no commitment by, or legal requirement of, the principal landowners, the Developer, or any other landowner in the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any homebuilder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any landowner’s right to sell its land. Therefore, the District can make no representation

about the probability of future development, if any, or the rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and result in higher tax rates. See “DEVELOPMENT OF THE DISTRICT,” “THE DEVELOPER,” and “TAX DATA – Principal Taxpayers.”

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new single-family home sales from other developments, there are numerous previously owned single-family homes in more established commercial centers and neighborhoods closer to the City of Georgetown, Texas and the City of Austin, Texas. Such existing developments could represent additional competition for new development proposed to be constructed within the District. The competitive position of the Developer or the principal landowners in the sale of land, and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

Dependence on Principal Taxpayers: The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District’s ability to meet its debt service obligations. As illustrated in this Official Statement under the caption “TAX DATA – Principal Taxpayers,” as of January 1, 2024, the District’s principal taxpayers owned property located within the District comprising in the aggregate, approximately 99.84% of the taxable assessed valuation of the property within the District. The Developer owns property comprising approximately 26.60% of the District’s 2024 Taxable Assessed Valuation. See “THE DEVELOPER.” In the event that the Developer, any other taxpayer, or any combination of taxpayers should default in the payment of taxes in an amount which exceeds the District’s debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax liens, which is a time-consuming process. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate. The District is not required by law or the Bond Resolution to maintain any specified amount of surplus in its interest and sinking fund. See “TAX DATA – Principal Taxpayers” and “TAXING PROCEDURES – Levy and Collection of Taxes.”

Maximum Impact on District Tax Rates: Assuming no further development or home construction, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The taxable assessed valuation as of January 1, 2024, of all taxable property located within the District is \$22,725,640, and the estimate of value as of September 1, 2024, is \$50,500,000. See “TAX DATA.” After issuance of the Bonds, the maximum annual debt service requirement on the Bonds (2027) is \$388,594, and the average annual debt service requirement on the Bonds (2025-2049) is \$367,986. Assuming no decrease to the District’s taxable assessed valuation as of January 1, 2024, debt service tax rates of \$1.80 and \$1.71 per \$100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Assuming no decrease from the estimate of value as of September 1, 2024, debt service tax rates of \$0.81 and \$0.77 per \$100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively.

For the 2024 tax year, the District levied a total tax rate of \$0.95 per \$100 of assessed taxable value composed entirely of a tax rate for maintenance and operations. The District is authorized to levy separate debt service taxes, both of which unlimited as to rate or amount, for road debt and water, sewer, and drainage debt. The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners.

Operating Funds

The District’s only significant sources of revenue to pay its operating expenses are maintenance tax proceeds and developer advances. The District levied a 2024 maintenance tax of \$0.95 per \$100 of assessed valuation.

The District's general fund balance as of October 28, 2024 was \$26,042. Attaining and maintaining a positive operating fund balance will depend upon (1) continued development, (2) increased amounts of maintenance tax revenue, and (3) advances from the Developer. In the event that funds are not made available by the Developer, the District will be required to levy a maintenance tax at a rate sufficient to fund its operating expenses. Such an increase, may result in a total District tax in excess of similar developments and could adversely affect continued development of the District, as well as the willingness of taxpayers to pay taxes on their property. See "THE DISTRICT – General Fund Operating Statement."

Competitive Nature of Austin Residential Housing Market

The housing industry in the Austin, Texas metropolitan area is very competitive, but the District can give no assurance that the building programs which are planned by any homebuilder will be continued or completed. The respective competitive position of the homebuilders listed herein and any other developer or homebuilder which might attempt future home building or development projects in the District, the sale of developed lots or in the construction and sale of single-family residential units, are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming, and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property, or (d) the taxpayer's right to redeem the property within two (2) years of foreclosure for residential homestead and agricultural use property and within six (6) months of foreclosure for other 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. Moreover, the value of property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayer's right to redeem residential or agricultural use property within two (2) years of foreclosure and all other property within six (6) months of foreclosure. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. See "TAXING PROCEDURES."

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the registered owners of the Bonds (the "Registered Owners") have a right to seek a writ of mandamus requiring the District to levy sufficient taxes each year to make such payments. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default, and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies. The enforceability of the rights and remedies of the Registered Owners may be limited further 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. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the District to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge.

Marketability

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

Future Debt

The Bonds are the first series of bonds to be issued by the District out of an aggregate \$87,000,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of acquiring or constructing roads and improvements in aid thereof to serve the District (the "Road System"). Following issuance of the Bonds, \$81,500,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System will remain authorized but unissued.

In addition, voters of the District have authorized the District's issuance of \$87,000,000 principal amount of unlimited tax bonds for refunding bonds issued by the District for the Road System, \$290,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing facilities necessary to provide water, sanitary sewer, and storm water drainage systems serving the District (the "Utility System"), \$290,000,000 principal amount of unlimited tax bonds for the refunding of such bonds, \$42,000,000 principal amount unlimited tax bonds for parks and recreational facilities and \$42,000,000 principal amount of unlimited tax bonds for refunding of such bonds and any additional bonds as may hereafter be approved by both the Board and voters of the District. To date, the District has issued no bonds from such voted authorization.

Following issuance of the Bonds, the District has the right to issue the remaining \$81,500,000 principal amount of unlimited tax bonds authorized but unissued for the Road System; \$290,000,000 principal amount of unlimited tax bonds authorized but unissued for the Utility System and \$42,000,000 principal amount of unlimited tax bonds authorized but unissued for the parks and recreational facilities. See "THE BONDS - Issuance of Additional Debt."

Issuance of the remaining \$290,000,000 principal amount of unlimited tax bonds for the Utility System and the \$42,000,000 principal amount of unlimited tax bonds authorized for park and recreational improvements shall be subject to prior approval by the TCEQ. Further, the principal amount of park and recreational facilities bonds issued by the District may not exceed one percent of the District's certified taxable assessed valuation, unless, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District.

The District's issuance of the Bonds and the remaining \$81,500,000 principal amount of unlimited tax bonds for acquiring or constructing the Road System is not subject to approval by the TCEQ.

Following reimbursement with the proceeds of the Bonds, the District will owe the Developer approximately \$29,003,775 for expenditures to construct the Utility System, the Road System, and parks and recreational facilities in the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Continuing Compliance with Certain Covenants

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

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

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

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

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

Certain governmental entities regulate groundwater usage in the Austin Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to

requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act (“SDWA”) and the EPA’s National Primary Drinking Water Regulations (“NPDWRs”), which are implemented by the TCEQ’s Water Supply Division, a municipal utility district’s provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency’s rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyfluoroalkyl Substances (“PFAS”), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

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.

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the “MS4 Permit”) on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 Permit, if the District’s inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

In 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of “waters of the United States” and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, “waters of the United States” includes only geographical features that are described in ordinary parlance as “streams, oceans, rivers, and lakes” and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of “waters of the United States” under the CWA to conform with the Supreme Court’s decision.

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

Potential Impact of Natural Disaster

The District could be impacted by a natural disaster such as wide-spread fires, earthquakes, or weather events such as hurricanes, tornados, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates. See "TAXING PROCEDURES – Valuation of Property for Taxation."

There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could be a lengthy period in which assessed values in the District would be adversely affected. There can be no assurance the District will not sustain damage from such natural disasters.

National Weather Service Atlas 14 Rainfall Study

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

Approval of the Bonds

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

Future and Proposed Legislation

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

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

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolution.

The Bonds are dated December 1, 2024 (the "Dated Date"), and will accrue interest from the date of delivery, which is expected to be on or about December 13, 2024 (the "Date of Delivery"), with interest payable March

1, 2025, and each September 1 and March 1 thereafter (each an “Interest Payment Date”) until the earlier of stated maturity or prior redemption. The Bonds are fully registered bonds maturing on September 1 of the years shown on the inside cover page of this Official Statement. Principal of the Bonds will be payable to the Registered Owners at maturity or prior redemption upon presentation at the principal payment office of the paying agent/registrar, initially, BOKF, NA, Dallas, Texas (the “Paying Agent/Registrar”). Interest on the Bonds will be payable by check, dated as of the Interest Payment Date, and mailed by the Paying Agent/Registrar to Registered Owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding the Interest Payment Date (the “Record Date”) 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.

Successor Paying Agent/Registrar

Provision is made in the Bond Resolution for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar’s records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a commercial bank; a trust company organized under the laws of the State of Texas; or other entity duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds.

Registration, Transfer and Exchange

In the event the Book-Entry-Only System is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the corporate trust office of the Paying Agent/Registrar in Dallas, Texas. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner. The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of \$5,000 in principal amount for a Bond, or any integral multiple thereof for any one maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within thirty (30) calendar 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.

Record Date for Interest Payment

Interest on the Bonds will be paid to the Registered Owner appearing on the registration and transfer books of the Paying Agent/Registrar at the close of business on the “Record Date” (the fifteenth calendar day of the month next preceding each Interest Payment Date) and shall be paid by the Paying Agent/Registrar (i) by check sent by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the registration and transfer books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. If the date for the payment of the principal or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the principal payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (“Special Payment Date” which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Registered Owner of a Bond appearing in the registration and transfer books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing such notice.

Redemption of the Bonds

Optional Redemption

The Bonds that mature on September 1, 2031, and thereafter shall be subject to redemption and payment prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register.

If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by such random method as the Paying Agent/Registrar deems fair and appropriate in integral multiples of \$5,000 within any one maturity. The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mandatory Redemption

The Bonds maturing on September 1 in the years 2038, 2042, 2046 and 2049 are term bonds (the “Term Bonds”), and shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the “Mandatory Redemption Date”), and in the principal amount set forth in the following schedule:

\$1,380,000 Term Bond Maturing on September 1, 2038

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2032	\$ 170,000
September 1, 2033	\$ 180,000
September 1, 2034	\$ 190,000
September 1, 2035	\$ 195,000
September 1, 2036	\$ 205,000
September 1, 2037	\$ 215,000
September 1, 2038 (Maturity)	\$ 225,000

\$1,000,000 Term Bond Maturing on September 1, 2042

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2039	\$ 235,000
September 1, 2040	\$ 245,000
September 1, 2041	\$ 255,000
September 1, 2042 (Maturity)	\$ 265,000

\$1,195,000 Term Bond Maturing on September 1, 2046

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2043	\$ 280,000
September 1, 2044	\$ 290,000
September 1, 2045	\$ 305,000
September 1, 2046 (Maturity)	\$ 320,000

\$1,040,000 Term Bond Maturing on September 1, 2049

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2047	\$ 330,000
September 1, 2048	\$ 345,000
September 1, 2049 (Maturity)	\$ 365,000

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

Mutilated, 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 to the Paying Agent/Registrar, or receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The District may require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Authority for Issuance

The Bonds are issued by the District pursuant to the terms and conditions of the Bond Resolution; Article III, Section 52 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; Chapter 8221 of the Texas Special District Local Laws Code; the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas; and an election held within the boundaries of the District on November 8, 2022.

The Bonds are the first series of bonds to be issued by the District out of an aggregate \$87,000,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of acquiring or constructing the Road System. Following the issuance of the Bonds, \$81,500,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System, and \$87,000,000 principal amount for the refunding of such bonds, will remain authorized but unissued.

In addition, voters of the District have authorized the District's issuance of \$290,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System; \$290,000,000 principal amount of unlimited tax bonds for the refunding of such bonds; \$42,000,000 principal amount of unlimited tax bonds for acquiring or constructing parks and recreational facilities; and \$42,000,000 principal amount of unlimited tax bonds for the refunding of such bonds. To date, the District has issued no bonds from such voted authorization.

Source of Payment

The Bonds are payable from the proceeds of a continuing direct ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. In the Bond Resolution, 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 fees of the Appraisal District. Tax proceeds, after deduction for collection costs, will be placed in the Road Debt Service Fund (defined below) and used solely to pay principal of and interest on the Bonds, any additional bonds payable from taxes that may be issued for the Road System, and fees of the Paying Agent/Registrar.

Amounts on deposit in the Road Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Utility System or for park and recreational facilities.

The Bonds are obligations solely of the District and are not the obligations of the State of Texas; Williamson County, Texas; or any entity other than the District.

Funds

The Bond Resolution creates the District's fund for debt service on the Bonds, and any additional unlimited tax bonds issued by the District for the Road System (the "Road Debt Service Fund"). Eighteen (18) months of capitalized interest on the Bonds will be deposited from the proceeds from the sale of the Bonds into the Road Debt Service Fund upon closing of the Bonds. The Road Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds, and any additional unlimited tax bonds issued by the District for the Road System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds, and any of the District's other duly authorized bonds issued for the Road System payable in whole or in part from taxes. Amounts on deposit in the Road Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds, and any additional bonds issued for the Road System payable in whole or in part from taxes. Amounts on deposit in the Road Debt Service Fund may not be used to pay debt service on bonds issued for the Utility System or for the park and recreation facilities.

Issuance of Additional Debt

The District may issue additional bonds that are necessary to finance improvements and facilities consistent with the purposes for which the District was created. The District's voters have authorized the issuance of \$290,000,000 principal amount of unlimited tax bonds for the Utility System and \$290,000,000 principal amount of unlimited tax bonds for the refunding of such bonds, \$87,000,000 principal amount of unlimited tax bonds for the Road System and \$87,000,000 principal amount of unlimited tax bonds for the refunding of such road bonds, \$42,000,000 principal amount of unlimited tax bonds for parks and recreational facilities and \$42,000,000 principal amount of unlimited tax bonds for the refunding of such bonds, and could authorize additional amounts.

The Bonds are the first series of bonds to be issued by the District out of an aggregate \$87,000,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of acquiring or constructing the Road System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: \$290,000,000 for the Utility System and \$290,000,000 for the refunding of such bonds; \$81,500,000 for the Road System and \$87,000,000 for the refunding of such bonds; \$42,000,000 principal amount for parks and recreational improvements and \$42,000,000 for the refunding of such bonds; and any additional bonds as may hereafter be approved by both the Board and voters of the District.

The Bond Resolution imposes no limitation on the amount of additional parity bonds that may be issued by the District, if authorized by the District's voters, and, in the case of bonds for the Utility System or for parks and recreational improvements, approved by the TCEQ. The District's issuance of the Bonds and the remaining \$81,500,000 principal amount of unlimited tax bonds for acquiring or constructing the Road System is not subject to approval by the TCEQ.

Following reimbursement with the proceeds of the Bonds, the District will owe the Developer approximately \$29,003,775 for expenditures to construct the Utility System, the Road System, and parks and recreational facilities in the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

The District is also authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes. Before the District could issue such bonds, the following actions would

be required: (a) authorization of a detailed fire protection plan; (b) approval of the fire plan by the TCEQ; (c) approval of the fire plan by the voters of the District; and (d) approval of bonds, if any, by the Attorney General of Texas. If additional debt obligations are issued in the future by the District, such issuance may increase gross debt-property ratios and might adversely affect the investment security of the Bonds.

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of the park bond application for the issuance of bonds by the TCEQ and (b) approval of the bonds by the Attorney General of Texas. The District has not considered the preparation of a parks bond application at this time. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District at the time of issuance, unless, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not greater than three percent of the value of the taxable property in the District.

No Arbitrage

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

Consolidation

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

Defeasance

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest, and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally

recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations, or investment criteria which apply to or which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

Registered Owners’ Remedies

Pursuant to Texas law, the Bond Resolution provides that, in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Resolution into the Road Debt Service Fund, or defaults in the observance or performance of any of the other covenants, conditions, or obligations set forth in the Bond Resolution, any Registered Owner shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the District to make such payments or to observe and perform such covenants, obligations, or conditions. Such right is in addition to other rights the Registered Owners may be provided by the laws of the State of Texas.

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners may seek a writ of mandamus requiring the District to levy adequate taxes to make such payments. Except for the remedy of mandamus, the Bond Resolution does not specifically provide for remedies to a Registered Owner in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default

and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell property within the District in order to pay the principal of or interest on the Bonds.

[Remainder of this page intentionally left blank]

The enforceability of the rights and remedies of the Registered Owners may be further 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. For example, a Chapter 9 bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners.

Use and Distribution of Proceeds of the Bonds

Proceeds from sale of the Bonds will be used to reimburse the Developer for expenditures related to certain road improvements in the District as set out below. Proceeds of the Bonds will also be used to pay eighteen (18) months of capitalized interest on the Bonds, developer interest, and to pay costs of issuance of the Bonds. Totals may not sum due to rounding.

Construction Costs	<u>District's Share</u>
<u>A. Developer Contribution Items</u>	
1. Benton Phase 1 Section 1 & Phase 1, Section 2	\$ 1,922,500
2. Engineering (6.7% of Item No. 1)	<u>376,288</u>
Subtotal	\$ 2,298,788
<u>B. District Items</u>	
3. ROW Land Costs	\$ 2,099,889
Total Construction Costs	\$ 4,398,677
 <u>Non-Construction Costs</u>	
A. Legal Fees	\$ 150,000
B. Fiscal Agent Fees	110,000
C. Interest Costs	
1. Capitalized Interest	386,053
2. Developer Interest	198,023
D. Bond Discount	164,760
E. Bond Issuance Expenses	39,550
F. Bond Engineering Fee	20,750
G. Attorney General Fee (0.10% or a maximum of \$9,500)	5,500
H. Contingency (a)	<u>26,687</u>
Total Non-Construction Costs	\$ 1,101,323
 TOTAL ROAD BOND ISSUE REQUIREMENT	 \$ 5,500,000

(a) Represents the difference between the estimated and actual amounts of bond discount and capitalized interest.

The construction costs described above were compiled by Jones-Heroy & Associates, Inc., engineering consultant to the District, based on information provided by Kimley-Horn & Associates, Inc., the District's Engineer (the "Engineer"), based in some cases, on the estimated costs of facilities. Non-construction costs are based upon either contract amounts or estimates. In the instance that estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for roads or improvements in aid thereof. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York (“DTC”), while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor (herein defined) believe the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District and the Financial Advisor 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 Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of “AA+” from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such

other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

THE DISTRICT

Authority

The District is a political subdivision of the State of Texas, created by Acts of the 80th Legislature of the State of Texas, Regular Session, House Bill 4072, effective June 15, 2007, codified as Chapter 8221 of the Texas Special District Local Laws Code, pursuant to Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District was granted road powers by Acts of the 81st Legislature of the State of Texas, Regular Session, House Bill 4779, effective June 19, 2009, which amended Chapter 8221 to add authority for financing road projects. The District was previously named 3 B&J Municipal Utility District. The District's name was changed to Williamson County Municipal Utility District No. 51 by Acts of the 88th Legislature of the State of Texas, Regular Session, House Bill No. 5344, effective June 13, 2023. The District is subject to oversight by the Texas Commission on Environmental Quality under the provisions of the Texas Water Code.

The District is empowered, among other things, 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. The District is further empowered to construct roads as well as improvements in aid thereof.

The District also is authorized to construct, develop, and maintain park and recreational facilities using operating revenues or by issuing bonds payable from taxes. In addition, the District is authorized, upon TCEQ and voter approval, to establish, operate, and maintain a fire department, independently or with one or more other conservation and reclamation districts, and provide such facilities and services to the customers of the District.

Description

The District is located approximately eleven (11) miles northwest of the City of Georgetown, Texas (the “City”). The District consists of approximately 523.59 total acres situated entirely outside of the corporate limits and the extraterritorial jurisdiction of the City.

Management of the District

The District is governed by the Board consisting of five directors, who have control over and management supervision of all affairs of the District. All of the Directors own property in the District. The directors serve four-year staggered terms. Elections are held in May of even-numbered years. The current members and officers of the Board are listed below:

Name	Title	Term Expires May
Bryan Warne	President	2026
David Moscovic	Vice President	2028
Ashlee Martin	Secretary	2028
Lindsey Holubec	Assistant Secretary	2026
Marshall Durrett	Asst. Vice President / Assistant Secretary	2026

Investment Policy

The District has adopted an Investment Policy (the “Investment Policy”) as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (the “Act”). The District’s goal is to preserve principal and maintain liquidity in a diversified portfolio while securing a competitive yield on its portfolio. Funds of the District are to be invested only in accordance with the Investment Policy. The Investment Policy states that the funds of the District may be invested in short term obligations of the U.S. or its agencies or instrumentalities, in certificates of deposits insured by the Federal Deposit Insurance Corporation and secured by collateral authorized by the Act, and in TexPool and TexStar, which are 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 portfolio.

Consultants

Although the District does not have a general manager or any other full-time employees, it has contracted for utility system operating, bookkeeping, tax assessing and collecting, auditing, engineering, and legal services as follows:

Tax Assessor/Collector: The tax assessor/collector for the District is Assessments of the Southwest, Inc. (the “Tax Assessor/Collector”).

Bookkeeper: The District’s bookkeeper is Municipal Accounts & Consulting, L.P.

Auditor: The District engaged McGrath & Co., PLLC. to audit its financial statements for the fiscal year ended April 30, 2024. See “APPENDIX A.”

Engineer: The District's engineer is Kimley-Horn & Associates, Inc. (the "Engineer"). The District engaged Jones-Heroy & Associates Inc., as engineering consultant to provide bond engineering services.

Bond & General Counsel: The District has engaged Allen Boone Humphries Robinson LLP, Austin, Texas, as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

Disclosure Counsel: McCall, Parkhurst & Horton L.L.P., Houston, Texas, serves as disclosure counsel ("Disclosure Counsel") to the District in connection with the issuance of the Bonds. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale and delivery of the Bonds.

Financial Advisor: Robert W. Baird & Co. Incorporated is engaged as financial advisor to the District in connection with the issuance of the Bonds (the "Financial Advisor"). The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

[Remainder of this page intentionally left blank]

General Fund Operating Statement

The following sets forth in condensed form the results of the District's general operating fund. The summary below has been prepared by the Financial Advisor for inclusion herein based upon information obtained from the District's audited financial statements for year ended April 30, 2023, and 2024, and from the District's bookkeeper for fiscal year end 2022 and the five month period ended September 30, 2024. See "RISK FACTORS – Operating Funds." Reference is made to such statements for further and more complete information. See "APPENDIX A" for a copy of financial statements for the year ended April 30, 2024.

	Fiscal Year Ended April 30			
	May 1, 2024 to September 30, 2024 (a)	2024	2023 (b)	2022 (a)
Revenues				
Property Taxes	\$ 26,928	\$ 109,571	\$ -	\$ -
Investment Earnings	1,072	774	12	-
Total Revenues	\$ 28,000	\$ 110,345	\$ 12	\$ -
Expenditures				
Operating and Administrative				
Professional Fees	\$ 97,473	\$ 198,296	\$ 257,929	\$ 112,647
Contracted Services	18,300	34,173	20,802	1,233
Administrative	11,471	34,235	25,358	3,194
Other	150	3,930	8,435	1,514
Capital Outlay	-	69,199	-	-
Total Expenditures	\$ 127,394	\$ 339,833	\$ 312,524	\$ 118,588
Revenues Over (Under) Exp.	\$ (99,395)	\$ (229,488)	\$ (312,512)	\$ (118,588)
Other Financing Sources				
Developer Advances	\$ 61,700	\$ 348,055	\$ 392,823	\$ -
Beginning Fund Balance	\$ 80,290	\$ (38,277)	\$ (118,588)	\$ -
Ending Fund Balance	\$ 42,595	\$ 80,290	\$ (38,277)	\$ (118,588)

(a) Unaudited.

(b) The District's first audited financial statements.

DEVELOPMENT OF THE DISTRICT

Status of Development within the District

The Developer is developing a master planned community commonly known as “Nolina.” To date, approximately 167 acres within the District have been developed as 279 total single-family lots in the following residential subdivisions: Benton Phase 1, Section 1-1, and Benton Phase 1, Section 1-2; As of October 15, 2024, the District included approximately 57 completed homes (approximately 14 occupied, 36 unoccupied, and 7 model homes); approximately 26 homes under construction; and approximately 196 vacant developed lots.

Benton Phase 1, Section 1-3 and Nolina Phase 1, Section 2A on approximately 77.102 acres are currently under construction and are expected to be substantially complete by the 1st quarter of 2025.

Nolina includes an amenity center known as The Wildflower House, an approximately 4.3-acre area which includes a recreational center building, fitness center, pool, playground, splash pad and yoga lawn as well as trails and a pocket park. The Wildflower House opened in May 2024.

The remaining land in the District consists of approximately 74 remaining developable acres for future single-family and multi-family development, approximately 11.4 acres for commercial use, approximately 2.00 acres for a fire station and approximately 187.20 acres of undevelopable lands (including parks, major rights-of-way).

The following is a summary of the status of construction of single-family housing within the District as of October 15, 2024:

<u>Nolina</u>	<u>Section Acreage</u>	<u>Section Lots</u>	<u>Homes Completed</u>	<u>Homes Under Construction</u>	<u>Vacant Lots</u>
Benton Phase 1, Section 1-1(a)	119.913	163	47	13	103
Benton Phase 1, Section 1-2 (a)	47.339	116	10	13	93
Totals	167.252	279	57	26	196
Single-Family Developed (a)	167.252				
Single-Family Under Construction (a)(b)	77.102				
Amenity Center	4.300				
Fire Station	2.000				
Commercial	11.400				
Major Right-Of-Ways	37.400				
Open Space	149.800				
Remaining Developable	74.336				
District Total	523.590				

(a) Reflects total acreage within the existing subdivisions in the District and includes acres dedicated to the following: drainage easements, parkland and open spaces, roads, water quality and detention ponds, and lift stations.

(b) Represents Phase 1, Section 1-3 and Phase 1, Section 2A.

Homebuilders within the District

Homebuilders currently active in the District include Chesmar Homes, Taylor Morrison, Perry Homes, and Westin Homes. Prices of homes being constructed in the District range from approximately \$350,000 to approximately \$900,000.

Lot Purchase Agreement Summary

Builder	Total Lots Contracted	Contracted Lots Closed to Homebuilder
Chesmar Homes	351	53
Perry Homes	38	30
Taylor Morrison	351	80
Westin Homes	587	68
Total	1,327	231

THE DEVELOPER

Role of the Developer

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be constructed 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 (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In most instances, the developer will be required to pay up to thirty percent of the cost of constructing certain of the water, wastewater, and drainage facilities in a utility district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of the property within a utility district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is ordinarily a major taxpayer within a municipal utility district during the development phase of the property.

Prospective purchasers of the Bonds should note that the prior real estate experience of a developer should not be construed as an indication that further development within the District will occur, or construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate.

Neither the Developer, nor any affiliate entity, is obligated to pay principal of or interest on the Bonds. Furthermore, neither the Developer, nor any affiliate entity, has a binding commitment to the District to carry out any plan of development, and the furnishing of information related to the proposed development by the Developer or affiliate entities should not be interpreted as such a commitment. Prospective purchasers are encouraged to inspect the District in order to acquaint themselves with the nature of development that has occurred or is occurring within the District's boundaries.

The Developer

The developer of land in the District is JDS RR LLC, a Texas limited liability company (the “Developer”). The Developer is wholly owned by JDS RR Investors, LP, the general partner of which is JDS SA Investors GP LLC, and is an affiliate of Johnson Development Corp. (“JDC”). Since its establishment in 1975, JDC has been involved in over 100 projects resulting in the development of over 40,000 acres devoted to multiple-use commercial parks; office buildings; retail centers; championship golf courses; and residential communities. In Texas, JDC is responsible for the development of several master-planned communities, including: Riverstone; Sienna; Cross Creek Ranch; Harvest Green; Imperial; Fall Creek; Tuscan Lakes; Edgewater; Woodforest; Harmony; Grand Central Park; Willow Creek Farms; Trinity Falls; Candela; and Viridian.

The Developer is a single purpose entity formed and capitalized for the purpose of developing the land it owns within the District. The Developer is a nominally capitalized limited liability company whose assets primarily consist of the land it owns in the District and the receivables due from the District for development costs. The Developer has minimal net revenues. See “Developer Financing” below.

The Developer has developed approximately 167 acres of land within the District as the residential subdivisions of Benton Phase 1, Section 1-1, and Benton Phase 1, Section 1-2, and continues to own approximately 74 remaining developable acres within the District and 196 vacant developed lots.

Developer Financing

The Developer has obtained financing for a portion of the development of the District through the Public Finance Authority of Wisconsin (the “PFA”). The PFA issued \$48,240,000 Texas Infrastructure Program Tax-Exempt Revenue Anticipation Bonds (Nolina & Sorella Projects), Series 2024 (the “PFA Bonds”), which are secured in part by the sale and assignment of the Developer’s right to receive proceeds from the sale of the Bonds and the future sale of unlimited tax bonds issued by the District. According to the Developer, it is currently in compliance with all material representations and certifications made with respect to the PFA Bonds and has made the necessary certifications required by the Texas Attorney General ensuring the proceeds of the Bonds are being issued for lawful purposes authorized under Texas law. See “RISK FACTORS – Approval of the Bonds.”

Lot-Sales Contracts

The Developer has entered into four purchase and sale agreements with the Builders for a total of 1,327 lots, or 99% of the planned 1,341 lots, as further described below. The 14 unsold lots will be sold in the final phase of development.

The Developer entered into that certain: (a) Contract for Purchase and Sale of Residential Lots with Perry Homes, LLC effective December 4, 2023; (b) Contract for Purchase and Sale of Residential Lots with Taylor Morrison of Texas, Inc. effective June 6, 2022; (c) Contract for Purchase and Sale of Residential Lots with Chesmar Homes, LLC effective January 13, 2022; and (d) Contract for Purchase and Sale of Residential Lots with Westin Homes & Properties, LP effective January 20, 2022.

Under the Perry contract, the Developer has agreed to sell 38, 60-foot lots; under the Taylor Morrison Contract, 351 lots consisting of 195, 45-foot lots and 156, 50-foot lots; under the Chesmar Contract, 351 lots consisting of 195, 45-foot lots and 156, 50-foot lots; and under the Westin Contract, 587 lots consisting of 226, 50-foot lots and 361, 60-foot lots. As of June 30, 2024, the Developer had closed on 231 lots with the builders as show in the table above.

THE UTILITY SYSTEM

Regulation

According to the Engineer, the water distribution and wastewater collection lines constructed by the District 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 and the City. According to the Engineer, the design of all such completed facilities has been approved by all required governmental agencies.

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

Water Supply and Distribution

The District is currently within the CCN area of the City, therefore the City provides retail water services to all areas of the District. The District or Developer is required to pay impact fees to the City for each water service connection. The proposed water distribution system will consist of a network of arterial and interconnecting loop mains. The District is required to construct certain water facilities including all necessary facilities within the District and once constructed and accepted by the City, such facilities are conveyed to the City for ownership, operation, and maintenance.

Wastewater Treatment

Wastewater from the District is treated by the City, which will either use existing treatment facilities or construct a new wastewater treatment plant sufficient to serve the ultimate build-out demands of the District. Pursuant to the certain Wastewater Utility Construction and Retail Wastewater Service Agreement effective May 14, 2019, (i) the City will be the respective wastewater provider to users within the District and (ii) the City charges impact fees to the District or Developer for each connection to the City's wastewater system. Wastewater will be collected in a gravity collection system within the District. The District is required to construct certain wastewater facilities including all necessary facilities within the District and once constructed and accepted by the City, such facilities are conveyed to the City ownership, operation, and maintenance.

Drainage

Storm water runoff within the District will be collected in curb and gutter streets into flumes or inlets which will convey the flows overland or via underground culverts, respectively. Storm water from the proposed storm sewer system will typically outfall into water quality and detention ponds and eventually enter the San Gabriel River.

100-Year Flood Plain

According to the Federal Emergency Management Agency Map Panel No. 48491C0275E dated September 26, 2008 effective September 26, 2008, no acreage within the District is located in the 100-year flood plain.

National Weather Service Atlas 14 Rainfall Study

In 2018, National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

THE ROAD SYSTEM

The roads within the District vary in width in accordance with standards adopted by Williamson County, but are sized to accommodate the anticipated traffic demands of full build-out of the property within the District.

The Road System serves residents of the District by providing access to the major thoroughfares and collectors within Williamson County and surrounding areas. The major thoroughfares and collectors serving the District include Wild Nolina Way and Ronald Reagan Road Boulevard. The District will finance, design and construct the Road System in phases as development progresses. The Road System is currently anticipated to be maintained by Williamson County; however, the District makes no representation that the District will not be responsible for road maintenance.

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(October 2024)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(October 2024)



DISTRICT DEBT

Debt Service Requirement Schedule

The following schedule sets forth the principal and interest requirements on the Bonds. Totals may not sum due to rounding.

Calendar Year	The Bonds		Total Combined Debt Service
	Principal	Interest	
2025	-	\$184,448	\$184,448
2026	\$130,000	257,369	387,369
2027	140,000	248,594	388,594
2028	145,000	239,144	384,144
2029	150,000	229,356	379,356
2030	155,000	219,231	374,231
2031	165,000	208,769	373,769
2032	170,000	197,631	367,631
2033	180,000	190,406	370,406
2034	190,000	182,756	372,756
2035	195,000	174,681	369,681
2036	205,000	166,394	371,394
2037	215,000	157,681	372,681
2038	225,000	148,544	373,544
2039	235,000	138,981	373,981
2040	245,000	128,994	373,994
2041	255,000	118,581	373,581
2042	265,000	107,744	372,744
2043	280,000	96,481	376,481
2044	290,000	84,231	374,231
2045	305,000	71,544	376,544
2046	320,000	58,200	378,200
2047	330,000	44,200	374,200
2048	345,000	30,175	375,175
2049	365,000	15,513	380,513
Total	\$5,500,000	\$ 3,699,648	\$ 9,199,648

Average Annual Debt Service Requirement on the Bonds (2025-2049) \$367,986
 Maximum Annual Debt Service Requirement on the Bonds (2027) \$388,594

Bonded Indebtedness

2024 Taxable Assessed Valuation.....	\$ 22,725,640	(a)
Estimate of Value as of September 1, 2024	\$ 50,500,000	(b)
Direct Debt:		
The Bonds	\$ 5,500,000	
Total.....	\$ 5,500,000	
Estimated Overlapping Debt.....	\$ 1,604,075	(c)
Total Direct and Estimated Overlapping Debt	\$ 7,104,075	(c)
Direct Debt Ratios:		
As a percentage of the 2024 Taxable Assessed Valuation.....	24.20	%
As a percentage of the Estimate of Value as of September 1, 2024.....	10.89	%
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of the 2024 Taxable Assessed Valuation.....	31.26	%
As a percentage of the Estimate of Value as of September 1, 2024.....	14.07	%
Road Debt Service Fund Balance.....	\$ 386,053	(d)
General Operating Fund Balance (as of October 28, 2024).....	\$ 26,042	(e)
2024 Tax Rate per \$100 of Taxable Assessed Valuation		
Road System Debt Service	\$0.00	
Maintenance and Operation.....	\$0.95	
Total.....	\$0.95	

-
- (a) Represents the taxable assessed valuation as of January 1, 2024, of all taxable property in the District, as certified by the Williamson Central Appraisal District (the "Appraisal District"). See "TAX DATA" and "TAXING PROCEDURES."
 - (b) Provided by the Williamson Central Appraisal District for informational purposes only, this amount is an estimate of the taxable value of all taxable property located within the District as of September 1, 2024 and includes an estimate of additional taxable value resulting from additional of taxable improvements constructed in the District from January 1, 2024 through September 1, 2024. No taxes will be levied on this estimated value. Increases in value occurring between January 1, 2024, and January 1, 2025, will be certified as of January 1, 2025, and provided by the appraisal district for purposes of setting the District's ad valorem tax rate in the fall of 2025. See "TAX DATA" and "TAXING PROCEDURES."
 - (c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."
 - (d) Represents eighteen (18) months of capitalized interest which will be deposited in the Road Debt Service Fund upon closing and delivery of the Bonds. Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Road Debt Service Fund. Funds in the Road Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System or for parks and recreational facilities.
 - (e) See "RISK FACTORS - Operating Funds."

Direct and Estimated Overlapping Debt Statement

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in *Texas Municipal Reports*, published by the Municipal Advisory Council of Texas, or other available information. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the dates stated in this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot presently be determined. 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.

Taxing Jurisdiction	Outstanding Debt September 30, 2024	Overlapping	
		Percent	Amount
Williamson County	\$ 1,311,170,000	0.02%	\$ 223,479
Florence Independent School District	54,300,000	3.31%	<u>1,380,596</u>
Total Estimated Overlapping Debt			\$ 1,604,075
The District (a).....			<u>\$ 5,500,000</u>
Total Direct & Estimated Overlapping Debt (a).....			\$ 7,104,075

Debt Ratios

Ratios of Direct Debt (a):

As a percentage of the 2024 Taxable Assessed Valuation.....	24.20 %
As a percentage of the Estimate of Value as of September 1, 2024.....	10.89 %

Ratios of Direct and Estimated Overlapping Debt (a):

As a percentage of the 2024 Taxable Assessed Valuation.....	31.26 %
As a percentage of the Estimate of Value as of September 1, 2024.....	14.07 %

(a) Includes the Bonds.

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 sufficient amount to pay the principal of and interest on the Bonds, and any additional bonds payable from taxes that the District may hereafter issue (See “RISK FACTORS – Future Debt”) and to pay the expenses of assessing and collecting such taxes. In the Bond Resolution, the District agrees to levy such a tax from year to year as described more fully above under “THE BONDS – Source of Payment.” Under Texas law, the Board may also levy and collect annual ad valorem taxes for the operation and maintenance of the District for the payment of certain contractual obligations. See “TAX DATA – Maintenance Tax.”

Property Tax Code and County-Wide Appraisal District

Title I of the Texas Tax Code (the “Property Tax Code”) specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized herein. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the Appraisal District. The Appraisal District has the responsibility of appraising property for all taxing units

within Williamson County, including the District. Such appraisal values will be subject to review and change by the Williamson County Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, 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; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years of age or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve the 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 between \$5,000 and \$12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse, and surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

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. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. 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, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence 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 Property Tax Code authorizes the governing body of each political subdivision in the state to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. The District has never adopted a homestead exemption. See "TAX DATA."

Freeport Goods and Goods-in-Transit Exemption: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts

used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before July 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

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

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value, as such is defined in the Property Tax Code. The Texas Constitution limits increases in the appraised value of residence homesteads to 10 percent annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by one political subdivision while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the

use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use, open space land, and timberland.

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

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

District and Taxpayer Remedies

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

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

Tax Payment Installments After Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area, and whose property has been damaged as a direct result of the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

Additionally, the Texas Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdictions discretion, to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area, and is owned or leased by certain qualified business entities, regardless of whether the property has been damaged as a direct result of the disaster or emergency.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance

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

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

For the 2024 tax year, the District was designated as a Developing District. For future years, a determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year in which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with the tax liens of other such taxing units. A tax lien on real property takes priority over the claims 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 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 which restrict the collection of taxpayer debts. A taxpayer may redeem property within two years for residential and agricultural property and six months for commercial property and all other types of property after the purchaser's deed at the foreclosure sale is filed in the county records.

TAX DATA

General

All taxable property within the District is subject to the assessment, levy, and collection by the District of a continuing, direct ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds. See "TAXING PROCEDURES." In the Bond Resolution, the Board covenants to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. See "THE BONDS" and "RISK FACTORS."

For the 2024 tax year, the District levied a total tax rate of \$0.95 per \$100 of assessed taxable value composed entirely of a tax rate of \$0.95 per \$100 of assessed taxable value for maintenance and operations. The District is authorized to levy separate debt service taxes, both unlimited as to rate or amount, for payment of debt service on bonds issued for the Utility System, and for payment of debt service on bonds issued for the Road System, including the Bonds.

Tax Rate Limitation

Utility System Debt Service:	Unlimited (no legal limit as to rate or amount).
Road System Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance General:	\$1.20 per \$100 taxable assessed valuation.
Maintenance Road:	\$0.25 per \$100 taxable assessed valuation.

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District’s improvements if such maintenance tax is authorized by vote of the District’s electors. The Board is authorized by the District’s voters to levy such maintenance tax in an amount not to exceed \$1.20 per \$100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any parity bonds which have been issued or may be issued in the future. See “Tax Rate Distribution” below.

Debt Service Tax

The District covenants in the Bond Resolution to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. See “TAX DATA—Tax Rate Distribution” and “TAXING PROCEDURES.”

In the Bond Resolution, the Board also covenants to deposit into the Road Debt Service Fund the proceeds from all taxes levied, appraised, and collected for payment of the Bonds authorized by the Bond Resolution. Proceeds of the Bonds will be deposited into the capital projects fund for the bonds issued for the Road System (the “Road Capital Projects Fund”) upon closing of the Bonds to be used for the purpose of reimbursing the Developer for certain construction costs and for paying the costs of issuance of the Bonds. Any monies remaining in the Road Capital Project Fund after completion of construction of the Road System will be used as permitted by the Bond Resolution or ultimately transferred to the Road Debt Service Fund.

Additional Penalties

The District has contracted with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District can establish an additional penalty of twenty percent (20%) of the tax to defray the costs of collection. This fifteen percent (15%) penalty applies to taxes that either: (1) become delinquent on or after February 1 of a year, but not later than June 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 Property Tax Code.

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the debt service tax rates per \$100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Bonds, if no growth in the District’s tax base occurs beyond the taxable assessed valuation as of January 1, 2024 (\$22,725,640), or the estimate of value as of September 1, 2024 (\$50,500,000). The calculations assume collection of 95% of taxes levied, the sale of the Bonds, but not the sale of any additional bonds by the District.

Average Annual Debt Service Requirement on the Bonds (2025-2049)	\$367,986
Debt Service Tax Rate of \$1.71 on the 2024 Taxable Assessed Valuation produces	\$369,178
Debt Service Tax Rate of \$0.77 on the Estimate of Value as of September 1, 2024, produces	\$369,408
Maximum Annual Debt Service Requirement on the Bonds (2027)	\$388,594
Debt Service Tax Rate of \$1.80 on the 2024 Taxable Assessed Valuation produces	\$388,608
Debt Service Tax Rate of \$0.81 on the Estimate of Value as of September 1, 2024, produces	\$388,598

Estimated Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under Texas law, if ad valorem taxes levied by a taxing authority become delinquent, a lien is created upon the property which has been taxed. A tax lien on property in favor of the District is on a parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below is an estimation of all 2024 taxes per \$100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

Taxing Jurisdiction	2024 Tax Rate
The District	\$0.950000
Williamson County	0.355670
Williamson County Road	0.044329
Florence Independent School District	1.104200
Williamson Emergency Service District No. 7	<u>0.100000</u>
Total Tax Rate	\$2.554199

Historical Tax Collections

Tax Year (a)	Assessed Valuation	Tax Rate	Adjusted Levy	Collections Current Year	Current Year Ended 9/30	Collections 8/30/2024
2023	\$ 11,533,746	\$ 0.95	\$109,571	100.00%	2024	100.00%
2024	22,725,640	0.95	303,550	(b)	2025	(b)

(a) For the 2025 tax year, the District anticipates that it will levy a tax rate in September of 2025.

(b) In process of collections.

Tax Rate Distribution

	2024	2023
Road System Debt Service	\$0.00	\$0.00
Maintenance and Operations	<u>\$0.95</u>	<u>\$0.95</u>
Total	\$0.95	\$0.95

Taxable Assessed Valuation Summary

The following represents the type of property comprising the 2020–2024 tax rolls as certified by the Appraisal District.

Type of Property	2024 Taxable Assessed Valuation	2023 Taxable Assessed Valuation	2022 Taxable Assessed Valuation	2021 Taxable Assessed Valuation	2020 Taxable Assessed Valuation
Land	\$ 30,894,603	\$ 10,748,287	\$ 494,018	\$ 348,417	\$ 149,818
Improvements	1,022,133	785,459	1,104,347	709,623	654,501
Personal Property	35,920	-	-	-	-
Exemptions (a)	<u>(9,227,016)</u>	<u>(-)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 22,725,640	\$ 11,533,746	\$ 1,598,365	\$ 1,058,040	\$ 804,319

(a) "Exemptions," as categorized above, includes productivity loss from special valuation for agricultural designation, inventory deferments, values assigned to properties that are exempt from taxation (e.g. the elementary school in the District), and state-mandated homestead exemptions such as those for disabled veterans.

Principal Taxpayers

The following are the principal taxpayers in the District as shown on the Appraisal District's original certification of the appraisal rolls for the 2024 tax year. The values and percentages below are subject to adjustment due to supplemental certifications of the 2024 appraisal rolls by the Appraisal District.

Taxpayer	Types of Property	Taxable Value 2024 Tax Roll	Percent of District Value
JDS RR LLC (a)	LAND	\$6,046,049	26.60%
TAYLOR MORRISON OF TEXAS INC (b)	INVENTORY/VACANT	4,812,800	21.18%
CHESMAR HOMES LLC (b)	INVENTORY	4,401,080	19.37%
WESTIN HOMES AND PROPERTIES (b)	INVENTORY	3,117,648	13.72%
NEXMETRO NOLINA LP	INVENTORY/VACANT	1,579,237	6.95%
PERRY HOMES LLC (b)	LAND	1,357,360	5.97%
AMICI INVESTMENTS OF AUSTIN LLC	LAND	790,924	3.48%
NOLINA COMM I LLC	LAND	464,079	2.04%
Homeowner	LAND	60,160	0.26%
Homeowner	LAND	<u>60,160</u>	<u>0.26%</u>
Total		\$22,689,497	99.84%

(a) See "THE DEVELOPER."

(b) See "DEVELOPMENT OF THE DISTRICT - Homebuilders within the District."

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied upon all taxable property within the District and based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds; the legal opinion of Bond Counsel, to a like effect, and to the effect that, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds 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 of applicable corporations for the purpose of determining the alternative minimum tax imposed on corporations.

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS" (except for information under the subheadings "- Use and Distribution of Proceeds of Bonds"), "THE DISTRICT - Authority," "TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information, insofar as it relates to matters of law, is true and correct and whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

Allen Boone Humphries Robinson LLP also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold, and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the

transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, executed by the President and Secretary of the Board, and dated as of the date of delivery of the Bonds, that to their knowledge, no litigation is pending or threatened 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.

No Material Adverse Change

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

TAX MATTERS

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds 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 of applicable corporations (as defined in section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of determining the alternative minimum tax imposed on corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds and the source of repayment, limitations on the investment of proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond Resolution that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purpose, and in addition, will rely on representations by the District and the Initial Purchaser with respect to matters solely within the knowledge of the District and the Initial Purchaser, respectively, which Bond Counsel has not independently verified. If the District should fail to comply with the covenants in the Bond Resolution or if the foregoing representations or report should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the date of delivery of the Bonds, regardless of the date on which the event causing such taxability occurs.

Under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received, or accrued during the year. Payments of interest on tax-exempt obligations such as the Bonds are in many cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Except as stated above, Bond Counsel will express no opinion as to any federal, state, or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Bonds.

Prospective purchaser of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations, and individuals otherwise qualifying for the earned income credit. In addition, certain

foreign corporations doing business in the United States may be subject to the “branch profits tax” on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchaser should consult their own tax advisors as to the applicability of these consequences.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel’s knowledge of facts as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel’s legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit regardless of the ultimate outcome of the audit.

Tax Accounting Treatment of Original Issue Discount Bonds

The issue price of certain of the Bonds is less than the stated redemption price at maturity (the “Original Issue Discount Bonds”). In such case, under existing law, and based upon the assumptions hereinafter stated (a) the difference between (i) the stated amount payable at the maturity of each Original Issue Discount Bond and (ii) the issue price of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond at the initial public offering price in the initial public offering of the Bonds; and (b) such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Bond was held by such initial owner) is includable in gross income. (Because original issue discount is treated as interest for federal income tax purposes, the discussion regarding interest on the Bonds under the caption “TAX MATTERS” generally applies, except as otherwise provided below, to original issue discount on an Original Issue Discount Bond held by an owner who purchased such Bond at the initial offering price in the initial public offering of the Bonds, and should be considered in connection with the discussion in this portion of the Official Statement.)

The foregoing is based on the assumptions that (a) the Initial Purchaser has purchased the Bonds for contemporaneous sale to the general public and not for investment purposes, and (b) all of the Original Issue Discount Bonds have been offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm’s-length transactions for a cash price (and with no other consideration being included) equal to the initial offering prices thereof stated on the cover page of this Official Statement, and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

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

compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

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

Qualified Tax-Exempt Obligations

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

The Bonds have been designated as "qualified tax-exempt obligations" and represents that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2024 is not expected to exceed \$10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2024.

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

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) regarding the District's continuing disclosure obligations because the District has not issued more than \$10,000,000 in aggregate amount of outstanding bonds (including the Bonds) and no person is committed by contract or other arrangement with respect to payment of the Bonds as required by the exemption. As required by the exemption, in the Bond Resolution, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB") or any successor to its functions as a repository through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to EMMA annually. In addition, the District has agreed to provide information with respect to the Developer, any person or entity to whom the Developer voluntarily assigns (except as collateral) the right to receive a payment out of the proceeds from the sale of the Bonds of the District, and each other person or entity, if any, to whom the District voluntarily makes or agrees or has agreed to make a payment out of such proceeds. The District will be obligated to provide information concerning the Developer and any such other person or entity only if and so long as (1) such person owns more than 20% of the taxable property within the District by value, as reflected by the most recently certified tax rolls (and without effect to special valuation provisions), (2) such person has made tax or other payments to the District which were used or available to pay more than 20% of the District's debt service requirements in the applicable fiscal year, or (3) at the end of such fiscal year such person is obligated to the District to provide or pay for District facilities or debt in an amount which exceeds 20% of the amount of the District's bonds then outstanding.

The information to be updated with respect to the District includes all quantitative financial information and operating data found attached to this Official Statement as "APPENDIX A," and with respect to the Developer, is

found in “TAX DATA—Principal Taxpayers.” The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2025. 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 Rule 15c2-12 of the United States Securities and Exchange Commission (“SEC”). The updated information will include audited financial statements, if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to 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 Resolution 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 April 30. Accordingly, it must provide updated information by October 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB via EMMA of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms “obligated person” and “financial obligation” when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the “Rule”). The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Availability of Information from EMMA

The District has agreed to provide the information only to the MSRB. The MSRB has prescribed that such information must be filed via EMMA. The MSRB makes the information available to the public without charge and investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

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

The District may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or operations of the District but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments and interpretations of the Rule to the date of such amendment, as well as changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent 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 beneficial owners of the Bonds. The District may also amend or repeal the agreement if the United States Securities and Exchange Commission amends or repeals the applicable provisions of such rule or a court of final jurisdiction determines that such provisions are invalid, but in either case only to the extent that its right to do so would not prevent the Initial Purchaser from lawfully purchasing the Bonds in the offering described herein. 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

The Bonds are the first issuance of bonded indebtedness by the District, and the District has not entered into a prior continuing disclosure agreement in accordance with the Rule.

OFFICIAL STATEMENT

General

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

Experts

The information contained in this Official Statement relating to engineering and to the description of the Utility System, and, in particular, that engineering information included in the sections entitled "THE DISTRICT - Description," "DEVELOPMENT OF THE DISTRICT - Status of Development within the District," "THE ROAD SYSTEM," and "THE UTILITY SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering. The information contained in this Official Statement relating to construction costs in the section entitled "THE BONDS - Use and Distribution of Proceeds of the Bonds" has been provided by Jones-Heroy & Associates, Inc., based on the information provided by the Engineer.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning collection rates and valuations contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" was provided by the Tax Assessor/Collector and the Appraisal District. Such information has been included herein in reliance upon the Tax Assessor/Collector's authority as an expert in the field of tax collection and the Appraisal District's authority as an expert in the field of appraisal.

Certification as to Official Statement

The District, acting by and through its Board in its official capacity and in reliance upon the experts listed above, hereby certifies, as of the date hereof, that to the best of its knowledge and belief, the information, statements and descriptions pertaining to the District and its affairs herein contain no untrue statements of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information, 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 or verification of such matters and makes no representation as to the accuracy or completeness thereof.

Updating of Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District in writing on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

CONCLUDING STATEMENT

The information set forth herein has been obtained from the District's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents, and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

This Official Statement was approved by the Board of Directors of Williamson County Municipal Utility District No. 51 as of the date shown on the cover page hereof.

/s/ Bryan Warne
President, Board of Directors
Williamson County Municipal Utility District No. 51

ATTEST:

/s/ Ashlee Martin
Secretary, Board of Directors
Williamson County Municipal Utility District No. 51

APPENDIX A
Financial Statements of the District

**WILLIAMSON COUNTY MUNICIPAL
UTILITY DISTRICT NO. 51**

WILLIAMSON COUNTY, TEXAS

FINANCIAL REPORT

April 30, 2024

Table of Contents

	<u>Schedule</u>	<u>Page</u>
Independent Auditor's Report		1
Management's Discussion and Analysis		7
BASIC FINANCIAL STATEMENTS		
Statement of Net Position and Governmental Funds Balance Sheet		14
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances		15
Notes to Financial Statements		17
REQUIRED SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule – General Fund		30
Notes to Required Supplementary Information		31
TEXAS SUPPLEMENTARY INFORMATION		
Services and Rates	TSI-1	34
General Fund Expenditures	TSI-2	36
Investments	TSI-3	37
Taxes Levied and Receivable	TSI-4	38
Long-Term Debt Service Requirements by Years	TSI-5	N/A
Change in Long-Term Bonded Debt	TSI-6	N/A
Comparative Schedule of Revenues and Expenditures – General Fund	TSI-7a	39
Comparative Schedule of Revenues and Expenditures – Debt Service Fund	TSI-7b	N/A
Board Members, Key Personnel and Consultants	TSI-8	40

McGRATH & CO., PLLC

Certified Public Accountants

2900 North Loop West, Suite 880

Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Williamson County Municipal Utility District No. 51
Williamson County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and General Fund of Williamson County Municipal Utility District No. 51 (the "District"), as of and for the year ended April 30, 2024, 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 General Fund of Williamson County Municipal Utility District No. 51, as of April 30, 2024, 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

***Board of Directors
Williamson County Municipal Utility District No. 51
Williamson County, Texas***

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.

WCG & Co, PLLC

Houston, Texas
August 26, 2024

(This page intentionally left blank)

Management's Discussion and Analysis

(This page intentionally left blank)

***Williamson County Municipal Utility District No. 51
Management's Discussion and Analysis
April 30, 2024***

Using this Annual Report

Within this section of the financial report of Williamson County Municipal Utility District No. 51 (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 April 30, 2024. 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.

Williamson County Municipal Utility District No. 51
Management’s Discussion and Analysis
April 30, 2024

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 April 30, 2024, was negative \$23,930,970. This amount is negative because the District incurs debt to construct facilities which it conveys to other governmental entities and relies on advances from its developer to fund operating costs. A comparative summary of the District’s overall financial position, as of April 30, 2024 and 2023, is as follows:

	2024	2023
Current and other assets	\$ 100,182	\$ 27,030
Capital assets	1,015,337	
Total assets	1,115,519	27,030
Current liabilities	19,892	65,307
Long-term liabilities	25,026,597	674,023
Total liabilities	25,046,489	739,330
Net position		
Net investment in capital assets	(23,270,382)	
Unrestricted	(660,588)	(712,300)
Total net position	\$ (23,930,970)	\$ (712,300)

Williamson County Municipal Utility District No. 51
Management's Discussion and Analysis
April 30, 2024

The total net position of the District decreased during the current fiscal year by \$23,218,670. A comparative summary of the District's *Statement of Activities* for the past two fiscal years is as follows:

	2024	2023
Revenues		
Property taxes	\$ 109,571	\$ -
Investment earnings	774	12
Total revenues	<u>110,345</u>	<u>12</u>
Expenses		
Operating and administrative	270,634	312,524
Depreciation	23,076	
Total expenses	<u>293,710</u>	<u>312,524</u>
Change in net position before other item	(183,365)	(312,512)
Other item		
Transfers to other governments	<u>(23,035,305)</u>	
Change in net position	(23,218,670)	(312,512)
Net position, beginning of year	<u>(712,300)</u>	<u>(399,788)</u>
Net position, end of year	<u><u>\$ (23,930,970)</u></u>	<u><u>\$ (712,300)</u></u>

Financial Analysis of the District's General Fund

Fund balance in the District's General Fund, as of April 30, 2024, was \$80,290. A comparative summary of the General Fund's financial position as of April 30, 2024 and 2023, is as follows:

	2024	2023
Total assets	<u>\$ 100,182</u>	<u>\$ 27,030</u>
Total liabilities	\$ 19,892	\$ 65,307
Total fund balance	<u>80,290</u>	<u>(38,277)</u>
Total liabilities and fund balance	<u>\$ 100,182</u>	<u>\$ 27,030</u>

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

	2024	2023
Total revenues	\$ 110,345	\$ 12
Total expenditures	<u>(339,833)</u>	<u>(312,524)</u>
Revenues under expenditures	(229,488)	(312,512)
Other changes in fund balance	<u>348,055</u>	<u>392,823</u>
Net change in fund balance	<u><u>\$ 118,567</u></u>	<u><u>\$ 80,311</u></u>

**Williamson County Municipal Utility District No. 51
 Management’s Discussion and Analysis
 April 30, 2024**

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 developer advances. 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. The District levied its first maintenance tax during the current fiscal year.
- The District’s developer advances funds to the District as needed to pay operating costs.

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 \$118,567 greater than budgeted. The *Budgetary Comparison Schedule* on page 30 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developer for the financing of the construction of capital assets within the District. The developer 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 April 30, 2024, are summarized as follows:

Capital assets being depreciated	
Infrastructure	\$ 1,038,413
Less accumulated depreciation	<u>(23,076)</u>
Capital assets, net	<u><u>\$ 1,015,337</u></u>

The District did not have any capital assets to report as of April 30, 2023.

Capital asset addition during the current fiscal year included drainage facilities to serve Benton Phases 1-1 and 1-2.

Wastewater and water facilities constructed by the District are conveyed to the City of Georgetown (the “City”) for ownership and operation (see Notes 8 and 9). Additionally, Williamson County assumes responsibility (after a two-year maintenance period) for road facilities constructed within public right-of-way. Accordingly, these facilities are not considered assets of the District. The estimated value of these assets is recorded as transfers to other government upon completion of construction. The District will own certain drainage and detention facilities.

Williamson County Municipal Utility District No. 51
Management’s Discussion and Analysis
April 30, 2024

This estimated cost is trued-up when the developer is reimbursed. For the year ended April 30, 2024, capital assets in the amount of \$23,035,305 have been completed and recorded as transfers to other governments in the government-wide statements. Additional information is presented in Note 8.

Long-Term Debt and Related Liabilities

As of April 30, 2024, the District owes approximately \$25,026,597 to the developer 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 5, the District has an additional commitment in the amount of \$12,631,265 for projects under construction by the developer. 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 April 30, 2024, the District had \$290,000,000 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 \$290,000,000 for the refunding of such bonds; \$42,000,000 for parks and recreational facilities and \$42,000,000 for the refunding of such bonds; and \$87,000,000 for road improvements and \$87,000,000 for the refunding of such bonds.

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, developer advances 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:

	<u>2024 Actual</u>	<u>2025 Budget</u>
Total revenues	\$ 110,345	\$ 119,394
Total expenditures	<u>(339,833)</u>	<u>(246,800)</u>
Revenues under expenditures	(229,488)	(127,406)
Other changes in fund balance	348,055	127,406
Net change in fund balance	118,567	
Beginning fund balance	<u>(38,277)</u>	80,290
Ending fund balance	<u><u>\$ 80,290</u></u>	<u><u>\$ 80,290</u></u>

Property Taxes

The District’s property tax base increased approximately \$11,192,000 for the 2024 tax year from \$11,533,746 to \$22,725,640, based on preliminary values. This increase was primarily due to new construction in the District and increased property values.

(This page intentionally left blank)

Basic Financial Statements

Williamson County Municipal Utility District No. 51
Statement of Net Position and Governmental Fund Balance Sheet
April 30, 2024

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash	\$ 31,648	\$ -	\$ 31,648
Investments	68,534		68,534
Capital assets, net		1,015,337	1,015,337
Total Assets	<u>\$ 100,182</u>	<u>1,015,337</u>	<u>1,115,519</u>
Liabilities			
Accounts payable	\$ 19,892		19,892
Due to developer		25,026,597	25,026,597
Total Liabilities	<u>19,892</u>	<u>25,026,597</u>	<u>25,046,489</u>
Fund Balances/Net Position			
Fund Balances			
Unassigned	<u>80,290</u>	<u>(80,290)</u>	
Total Liabilities and Fund Balance	<u>\$ 100,182</u>		
Net Position			
Net investment in capital assets		(23,270,382)	(23,270,382)
Unrestricted		<u>(660,588)</u>	<u>(660,588)</u>
Total Net Position		<u>\$ (23,930,970)</u>	<u>\$ (23,930,970)</u>

See notes to basic financial statements.

Williamson County Municipal Utility District No. 51
Statement of Activities and Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended April 30, 2024

	General Fund	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 109,571	\$ -	\$ 109,571
Investment earnings	774		774
Total Revenues	<u>110,345</u>		<u>110,345</u>
Expenditures/Expenses			
Operating and administrative			
Professional fees	198,296		198,296
Contracted services	34,173		34,173
Administrative	34,235		34,235
Other	3,930		3,930
Capital outlay	69,199	(69,199)	
Depreciation		23,076	23,076
Total Expenditures/Expenses	<u>339,833</u>	<u>(46,123)</u>	<u>293,710</u>
Revenues Under Expenditures/Expenses	(229,488)	46,123	(183,365)
Other Financing Sources			
Developer advances	348,055	(348,055)	
Other Item			
Transfers to other governments		<u>(23,035,305)</u>	<u>(23,035,305)</u>
Net Change in Fund Balance	118,567	(118,567)	
Change in Net Position		(23,218,670)	(23,218,670)
Fund Balance/Net Position			
Beginning of the year	(38,277)	(674,023)	(712,300)
End of the year	<u>\$ 80,290</u>	<u>\$ (24,011,260)</u>	<u>\$ (23,930,970)</u>

See notes to basic financial statements.

(This page intentionally left blank)

Williamson County Municipal Utility District No. 51
Notes to Financial Statements
April 30, 2024

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Williamson County Municipal Utility District No. 51 (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 House Bill 4072, 80th Legislature, Regular Session, effective June 15, 2007, as amended by House Bill 4779, 81st Legislature, Regular Session, effective June 19, 2009 and House Bill 5344, 88th Legislature, Regular Session, effective June 13, 2023, codified as Chapter 8221 of the Texas Special Districts Local Laws Code and operates in accordance with Section 59, Article XVI and Section 52, Article III, Texas Constitution and the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on March 4, 2008. Pursuant to House Bill 5344 of the 88th Texas Legislature, effective June 13, 2023, the District’s name was changed to Williamson County Municipal Utility District No. 51.

The District’s primary activities include construction of water, sewer and drainage facilities, park and recreational facilities, and road improvements. As further discussed in Note 9, the District will convey certain water and wastewater facilities to the City of Georgetown 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. The District uses only a General Fund to account for its operations. The District's principal financial resources are property taxes and developer advances. Expenditures include costs associated with the daily operations of the District.

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 and interest earned on investments. 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 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.

Note 1 – Summary of Significant Accounting Policies (continued)

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 primarily consist of drainage facilities, are depreciated using the straight-line method over an estimated useful life of 45 years.

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 does not have any restricted fund balances.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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.

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 value of amounts due to developer; the value of capital assets transferred to the City of Georgetown and Williamson 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.

Williamson County Municipal Utility District No. 51
Notes to Financial Statements
April 30, 2024

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	\$	80,290
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	\$	1,038,413
Less accumulated depreciation		<u>(23,076)</u>
Change due to capital assets		1,015,337
Amounts due to the District's developer for prefunded construction and operating advances are recorded as a liability in the <i>Statement of Net Position</i> .		
		(25,026,597)
Total net position - governmental activities	<u>\$</u>	<u>(23,930,970)</u>

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

Net change in fund balances - total governmental funds	\$	118,567
Governmental funds report capital outlays for construction costs as expenditures in the funds; however, in the <i>Statement of Activities</i> , the cost of capital assets is charged to expense over the estimated useful life of the asset.		
Capital outlays	\$	69,199
Depreciation expense		<u>(23,076)</u>
		46,123
Amounts received from the District's developer for operating advances provide financial resources at the fund level, but are recorded as a liability in the <i>Statement of Net Position</i> .		
		(348,055)
The District conveys water and wastewater facilities to the City of Georgetown and road facilities to Williamson County upon completion of construction. Since these improvements are funded by the developer, financial resources are not expended in the fund financial statements; however, in the <i>Statement of Activities</i> , these amounts are reported as transfers to other governments.		
		(23,035,305)
Change in net position of governmental activities	<u>\$</u>	<u>(23,218,670)</u>

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 April 30, 2024, the District’s investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexPool	General	\$ 68,534	AAAm	40 days

Williamson County Municipal Utility District No. 51
Notes to Financial Statements
April 30, 2024

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 – Capital Assets

A summary of changes in capital assets, for the year ended April 30, 2024, is as follows:

	Beginning Balances	Additions	Ending Balances
Capital assets being depreciated			
Infrastructure	\$ -	\$ 1,038,413	\$ 1,038,413
Less accumulated depreciation		(23,076)	(23,076)
Capital assets, net	<u>\$ -</u>	<u>\$ 1,015,337</u>	<u>\$ 1,015,337</u>

Depreciation expense for the current fiscal year was \$23,076.

Williamson County Municipal Utility District No. 51
Notes to Financial Statements
April 30, 2024

Note 5 – Due to Developer

The District has entered into financing agreements with its developer for the financing of the construction of water, sewer, drainage, and park and recreational 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.

Pursuant to the financing agreement, 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	\$ 674,023
Developer funded construction	24,004,519
Operating advances from developer	348,055
Due to developer, end of year	<u>\$ 25,026,597</u>

In addition, the District will owe the developer approximately \$12,631,265, 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.

	<u>Contract Amount</u>	<u>Percentage Completed</u>
Benton Phase 1-3 and Nolina Phase 2A	\$ 11,672,336	12%
Nolina Phase 1 Sections 1 and 2*	958,929	32%
	<u>\$ 12,631,265</u>	

* District's share of the contract

Note 6 – Long-Term Debt

At April 30, 2024, the District had authorized but unissued bonds in the amount of \$290,000,000 for water, sanitary sewer and drainage systems within the District and \$290,000,000 for the refunding of such bonds; \$42,000,000 for parks and recreational facilities and \$42,000,000 for the refunding of such bonds; and \$87,000,000 for road improvements and \$87,000,000 for the refunding of such bonds.

Williamson County Municipal Utility District No. 51
Notes to Financial Statements
April 30, 2024

Note 7 – Property Taxes

On November 8, 2022, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.20 per \$100 of assessed value. In addition, the voters of the District authorized the District’s Board of Directors to levy taxes annually for road maintenance limited to \$0.25 per \$100 of assessed value.

All property values and exempt status, if any, are determined by the Williamson 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 2024 fiscal year will be financed through the 2023 tax levy, pursuant to which the District levied property taxes of \$0.95 per \$100 of assessed value, all of which was allocated to maintenance and operations. The resulting tax levy was \$109,571 on the adjusted taxable value of \$11,533,746.

Note 8 – Transfers to Other Governments

Wastewater and water facilities constructed by the District are conveyed to the City of Georgetown (the “City”) for ownership and operation (see Note 9). The District also transfers road facilities to Williamson County which are within the County’s public road right-of-way. Accordingly, the District does not record these capital assets in the *Statement of Net Position*, but instead reports the completed projects as transfers to other governments on the *Statement of Activities*. The estimated cost of each project is trued-up when the developer is subsequently reimbursed. For the year ended April 30, 2024, the District reported transfers to other governments in the amount of \$23,035,305 for projects completed and transferred to the City and County.

Note 9 – Wastewater Utility Construction and Retail Wastewater Service Agreement

The District, Austin-Ronald Reagan Blvd, LLC (“ARR”, and its successors and assignees “Developer”) and the City of Georgetown (the “City”) entered into an agreement, effective as of May 14, 2019, (the “Wastewater Agreement”) which provides, among other terms, that all on-site and off-site facilities necessary to obtain wastewater service from the City will be designed and constructed by or on behalf of the District. Upon completion of construction, the facilities will be conveyed to the City for ownership, maintenance, and operations, and the District retains a capacity interest in such facilities.

The District, or Developer on behalf of the District, is required to pay impact fees based on the total number of connections authorized on a final plat within the District’s service area. The City agrees to reserve capacity in the City’s wastewater utility system in an amount equal to the number of connections for which wastewater impact fees have been paid.

Note 9 – Wastewater Utility Construction and Retail Wastewater Service Agreement (continued)

Rates charged by the City to users in the District shall be the same rates charged to similar users outside the corporate limits and outside the extraterritorial jurisdiction of the City. All revenue derived from these charges belongs to the City. The agreements shall remain in effect, unless otherwise terminated according to the provisions of the agreement.

The agreement further provides that the District is within the boundaries of the City’s water certificate of convenience and necessity No. 12369 and that retail water service may be provided to the land within the District on the same basis as retail water service is provided to similarly situated customers and any water facilities constructed by or on behalf of the District shall be conveyed to the City for ownership and operation. All water revenues from users within the District will belong to the City.

Note 10 – Cost Sharing Agreements

Wastewater Facilities

The District, Northwest Williamson County Municipal Utility District No. 1 (“NWWC MUD No. 1”), Northwest Williamson County Municipal Utility District No. 2 (“NWWC MUD No. 2”), and each district’s respective developers entered into a Cost Sharing Agreement for Wastewater Facilities, effective September 6, 2022, for the construction of an 18-inch gravity wastewater line to serve development within the districts. Each developer agrees to pay a pro rata share of construction costs on behalf of the respective district based on the total number of connections within the districts by the respective district pursuant to the terms of a separate financing agreement between that district and developer. Upon completion of construction, the wastewater line will be conveyed to the City for ownership, maintenance, and operations. The term of the agreement is 40 years.

Wastewater Facilities and Road Improvements

The District, NWWC MUD No. 1, and each district’s respective developers entered into a Cost Sharing Agreement for Wastewater Facilities and Road Improvements, effective September 6, 2022, for the construction of wastewater facilities, which include the construction of a new force main, lift station, and oversized wastewater lines, and road improvements. Each developer agrees to pay a pro rata share of construction costs for the wastewater facilities and road improvements on behalf of the respective district as provided in the agreement, subject to future reimbursements by the respective district pursuant to the terms of a separate financing agreement between that district and developer. Upon completion of construction, the wastewater facilities will be conveyed to the City for ownership, maintenance, and operations and the road improvements will be conveyed to Williamson County for ownership, maintenance, and operation. The term of the agreement is 40 years.

Williamson County Municipal Utility District No. 51
Notes to Financial Statements
April 30, 2024

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 – Economic Dependency

The District is dependent upon its developer for operating advances. The developer continues to own a substantial portion of the taxable property within the District. The developer's willingness to make future operating advances and/or to pay property taxes will directly affect the District's ability to meet its future obligations.

(This page intentionally left blank)

Required Supplementary Information

Williamson County Municipal Utility District No. 51
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended April 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ -	\$ 109,571	\$ 109,571
Investment earnings	10	774	764
Total Revenues	10	110,345	110,335
Expenditures			
Operating and administrative			
Professional fees	230,000	198,296	31,704
Contracted services	20,000	34,173	(14,173)
Administrative	21,365	34,235	(12,870)
Other	7,500	3,930	3,570
Capital outlay		69,199	(69,199)
Total Expenditures	278,865	339,833	(60,968)
Revenues Under Expenditures	(278,855)	(229,488)	49,367
Other Financing Sources			
Developer advances	278,855	348,055	69,200
Net Change in Fund Balance		118,567	118,567
Fund Balance			
Beginning of the year	(38,277)	(38,277)	
End of the year	\$ (38,277)	\$ 80,290	\$ 118,567

Williamson County Municipal Utility District No. 51
Notes to Required Supplementary Information
April 30, 2024

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.

(This page intentionally left blank)

Texas Supplementary Information

Williamson County Municipal Utility District No. 51
TSI-1. Services and Rates
April 30, 2024

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): _____

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.

Williamson County Municipal Utility District No. 51
TSI-2. General Fund Expenditures
For the Year Ended April 30, 2024

Professional fees	
Legal	\$ 160,175
Audit	12,000
Engineering	26,121
	<u>198,296</u>
Contracted services	
Bookkeeping	<u>34,173</u>
Administrative	
Directors fees	10,703
Printing and office supplies	2,767
Insurance	5,725
Other	15,040
	<u>34,235</u>
Other	<u>3,930</u>
Capital outlay	<u>69,199</u>
Total expenditures	<u><u>\$ 339,833</u></u>

See accompanying auditor's report.

Williamson County Municipal Utility District No. 51

TSI-3. Investments

April 30, 2024

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>
General			
TexPool	Variable	N/A	\$ 68,534

See accompanying auditor's report.

Williamson County Municipal Utility District No. 51
TSI-4. Taxes Levied and Receivable
April 30, 2024

	Maintenance Taxes
2023 Original Tax Levy	<u>\$ 109,571</u>
Tax collections:	
Current year	<u>109,571</u>
Taxes Receivable, End of Year	<u>\$ -</u>
	<u>2023</u>
Property Valuations:	
Land	\$ 23,963,141
Improvements	785,459
Exemptions	<u>(13,214,854)</u>
Total Property Valuations	<u>\$ 11,533,746</u>
Tax Rates per \$100 Valuation:	
Maintenance tax rates	<u>\$ 0.95</u>
Adjusted Tax Levy:	<u>\$ 109,571</u>
Percentage of Taxes Collected to Taxes Levied ***	<u>100.00%</u>

* Maximum Maintenance Tax Rate Approved by Voters: \$1.20 on November 8, 2022

** Maximum Road Maintenance Tax Rate Approved by Voters: \$0.25 on November 8, 2022

*** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditor's report.

Williamson County Municipal Utility District No. 51

TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund

For the Last Three Fiscal Years

	Amounts			Percent of Fund Total Revenues		
	2024	2023	2022**	2024	2023	2022**
Revenues						
Property taxes	\$ 109,571	\$ -	\$ -	99%	-%	-%
Investment earnings	774	12		1%	-	-
Total Revenues	<u>110,345</u>	<u>12</u>		<u>100%</u>	<u>-</u>	<u>-</u>
Expenditures						
Operating and administrative						
Professional fees	198,296	257,929	112,647	180%	-	-
Contracted services	34,173	20,802	1,233	31%	-	-
Administrative	34,235	25,358	3,194	31%	-	-
Other	3,930	8,435	1,514	4%	-	-
Capital outlay	69,199			63%		
Total Expenditures	<u>339,833</u>	<u>312,524</u>	<u>118,588</u>	<u>309%</u>	<u>-</u>	<u>-</u>
Revenues Under Expenditures	<u>\$ (229,488)</u>	<u>\$ (312,512)</u>	<u>\$ (118,588)</u>	<u>(209%)</u>	<u>-%</u>	<u>-%</u>

** Unaudited

See accompanying auditor's report.

Williamson County Municipal Utility District No. 51
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended April 30, 2024

Complete District Mailing Address: 919 Congress Avenue, Suite 1500, Austin, TX 78701
 District Business Telephone Number: (512) 518-2424
 Submission Date of the most recent District Registration Form
 (TWC Sections 36.054 and 49.054): June 26, 2023
 Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
 (Set by Board Resolution -- TWC Section 49.060)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
Bryan Warne	05/22 - 05/26	\$ 1,989	\$ -	President
David Moscovic	11/21 - 05/24	2,289	435	Vice President
Ashlee Martin	11/21 - 05/24	2,068		Secretary
Marshall Durrett	05/22 - 05/26	2,068		Assistant Vice President/Secretary
Lindsey Holubec	05/22 - 05/26	2,289		Assistant Secretary
Consultants				
Allen Boone Humphries Robinson LLP <i>General legal fees</i>	2022	<u>Amounts Paid</u> \$ 200,477		Attorney
Municipal Accounts & Consulting, L.P	2022	34,813		Bookkeeper
Assessments of the Southwest, Inc.	2022	2,300		Tax Collector
Williamson Central Appraisal District	Legislation	200		Property Valuation
Perdue, Brandon, Fielder, Collins, & Mott, LLP	2023			Delinquent Tax Attorney
Kimley-Horn & Associates, Inc.	2022	14,558		Engineer
McGrath & Co., PLLC	2023	12,000		Auditor
Robert W. Baird & Co., Inc.	2022			Financial Advisor

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

See accompanying auditor's report.