

# MOODY'S

## INVESTORS SERVICE

### **Rating Action: Moody's assigns Baa2 to Highlands at Mayfield Ranch MUD, TX's GOULT; outlook stable**

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26 Aug 2021

New York, August 26, 2021 -- Moody's Investors Service has assigned a Baa2 rating to Highlands at Mayfield Ranch Municipal Utility District, TX's \$1.7 million Unlimited Tax Bonds, Series 2021. Moody's maintains the Baa2 rating on the district's previously issued outstanding parity debt. Post-sale, the district will have \$33.6 million in general obligation unlimited tax (GOULT) debt outstanding. The outlook remains stable.

#### RATING RATIONALE

The Baa2 rating reflects the district's moderately sized and rapidly growing tax base favorably located near the City of Austin (Aa1 stable). The rating also incorporates the district's healthy financial position with sound reserves, high debt burden, and lack of pension or other post-employment benefit liabilities.

#### RATING OUTLOOK

The stable outlook reflects our expectation that the district's finances will remain healthy, while leverage will moderate in commensurate with tax base growth.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Continued rapid tax base growth
- Sustained reduction in the ratio of debt to assessed valuation

#### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Tax base contraction
- Material decline in financial reserves

#### LEGAL SECURITY

Principal and interest on the bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the district.

#### USE OF PROCEEDS

Bond proceeds will be used to pay for various infrastructure costs associated with the district's ongoing development.

#### PROFILE

The district was created in July 2005 and lies north of the City of Austin (Aa1 stable) in south central Williamson County (Aa1 stable). The district provides infrastructure to a 315 acre residential area that is contained entirely within the extraterritorial jurisdiction of the City of Round Rock (Aa1).

#### METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at [https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM\\_1260094](https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM_1260094). Alternatively, please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and

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