RESOLUTION ADOPTING DEBT SERVICE BUDGET

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CROSSWINDS MUNICIPAL UTILITY DISTRICT THAT:

WHEREAS, the Board of Directors of Crosswinds Municipal Utility District (the "District") has projected the proposed debt service expenses and revenues for the District for the period of October 1, 2026 through September 30, 2027, in conjunction with the proposed setting of its 2026 tax rate and desires to adopt a budget consistent therewith;

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS;

Section 1. That the Debt Service Budget attached hereto as Exhibit "A" is hereby adopted.

Section 2. That the Secretary of the Board of Directors is hereby directed to file a copy of this Resolution Adopting a Debt Service Budget in the official records of the District.

ADOPTED this 9th day of September, 2026.

Amy Laine
President, Board of Directors

ATTEST:

Elizabeth P. Edwards
Secretary, Board of Directors

[DISTRICT SEAL]

EXHIBIT "A"

(Attach Debt Service Budget)

<u>EXHIBIT "A"</u>

(Attach Debt Service Budget)

CROSSWINDS MUNICIPAL UTILITY DISTRICT
2026 TAX RATE SETTING
POINTS FOR DISCUSSION
August 12, 2026

RECOMMENDATIONS

- Publish a total tax rate of **$0.90** this year (same rate as last year).
- Set an Operations and Maintenance tax rate of **$0.19** ($0.24 last year).
- Set a Utility Debt Service tax rate of **$0.40** ($0.36 last year).
- Set a Road Debt Service tax rate of **$0.31** ($0.30 last year).
- The above recommendations would not expose the District to a potential rollback election. See the attached Truth in Taxation schedules.
- Discuss the issuance of $5,800,000 Series 2026 Utility Bonds – see attached cash flow.

FINDINGS & ANALYSIS

- We will be levying a tax against approximately **$396 million** of taxable value this year. Last year the taxable value was **$370 million**, a $26 million increase due to the homebuilding program in the District.

- Per Hays CAD, approximately $387 million of taxable value is presently on the certified tax roll and an additional $9 million anticipated from the uncertified roll.

- Per Hays CAD and the Hays County Tax Office, the average homestead taxable value in the District decreased to $337,459 this year from $344,065 last year.

- Every penny of tax rate means about **$39,000** of tax revenue for the District and means about **$33** of annual MUD taxes paid by the average homestead owner.

- Review Key Assumptions Used in Debt Service Cash Flow:

  - Beginning Balance in the Utility Debt Service Fund = $510,000;
  - Beginning Balance in the Road Debt Service Fund of $625,000;
  - Interest to be earned at 2.0%;
  - 2026 Taxable Value (per Hays CAD) = $396 million;
  - 6/1/2026 Estimate of Value (per Hays CAD) = $443 million;
  - No growth in taxable value assumed;
  - Existing debt service requirements plus the sale of $5,800,000 Series 2026 Utility Bonds; and
  - Tax Collection factor of 98%.

2026 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts

Form 50-858

CROSSWINDS MUNICIPAL UTILITY DISTRICT
Water District Name

512-370-2924
Phone

600 W. 5th STREET, SUITE 900, AUSTIN, TX., 78701
Water District's Address, City, State, ZIP Code

www.winsteadspecialdistricts.com
Water District's Website Address

GENERAL INFORMATION: The Comptroller's office provides this worksheet to assist water districts in determining their voter-approval tax rate.The information provided in this worksheet is offered as technical assistance and not legal advice.Water districts should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

☐ Low tax rate water district (Water Code Section 49.23601)

☒ Developing water district (Water Code Section 49.23603)

☐ Developed water district in a declared disaster area (Water Code Section 49.23602(d))

SECTION 1: Voter-Approval Tax Rate

The voter-approval tax rate for low tax rate and developing water districts is the current year's debt service and contract tax rates plus the maintenance and operation (M&O) tax rate that would impose no more than 1.08 times the amount of M&O tax imposed by the water district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the voter-approval tax rate in the manner provided in Water Code Section 49.23601(a) and determine whether an election is required to approve the adopted tax rate in the manner provided in Water Code Section 49.23601(c). In such cases, the developed water district may use this form to calculate its voter-approval tax rate.

Line	Worksheet	Amount/Rate
1.	Prior average appraised value of residence homestead.[1]	$ 383,322.87
2.	Prior general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions.[2]	$ 39,257.35
3.	Prior average taxable value of residence homestead. Line 1 minus Line 2.	$ 344,065.52
4.	Prior adopted M&O tax rate.	$ 0.24000 / $100
5.	Prior M&O tax on average residence homestead. Multiply Line 3 by Line 4, divide by $100.	$ 825.76
6.	Highest M&O tax on average residence homestead with increase. Multiply Line 5 by 1.08[3]	$ 891.82
7.	Current average appraised value of residence homestead.	$ 379,431.19
8.	Current general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions.[4]	$ 41,972.17
9.	Current average taxable value of residence homestead. Line 7 minus Line 8.	$ 337,459.02
10.	Highest Current M&O tax rate. Line 6 divided by Line 9, multiply by $100.[5]	$ 0.26427
11.	Current debt tax rate.	$ 0.00000 / $100
12.	Current contract tax rate.	$ 0.00000 / $100
13.	Current voter-approval tax rate. Add lines 10, 11, and 12.	$ 0.26427 / $100

1) Tex. Water Code - 49.236(a)(2)(C)
2) Tex. Water Code - 49.236(a)(2)(D)
3) Tex. Water Code - 49.23601(a)(3) and 49.23603(a)(3)
4) Tex. Water Code - 49.236(a)(2)(E)
5) Tex. Water Code - 49.23601(a)(3) and 49.23603(a)(3)

SECTION 2: Mandatory Tax Election Rate

For a low tax rate water district, the election tax rate is the highest total tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

For a developing water district, the election tax rate is the highest total tax rate the district may adopt before qualified voters of the district may petition for an election to lower the adopted tax rate.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the election tax rate as the highest tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

In these cases, the election tax rate is the rate that would impose 1.08 times the amount of tax imposed by the district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

Line	Worksheet	Amount/Rate
14.	Prior Average Taxable Value of Residence Homestead. Enter the amount from Line 3.	$ 344,065.52
15.	Prior Adopted Total Tax Rate.	$ 0.90000 /100
16.	Prior Total Tax on Average Residence Homestead. Multiply Line 14 by Line 15.	$ 3,096.59
17.	Current Highest Amount of Taxes per Average Residence Homestead. Multiply Line 16 by 1.08.	$ 3,344.32
18.	Current Tax Election Tax Rate. Divide Line 17 by Line 9 and multiply by $100.	$ 0.99103 / $100

SECTION 3: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the voter-approval tax rate and mandatory tax election rate as authorized by the governing body of the water district. By signing below, you certify that you are the designated officer or employee of the taxing unit and and have calculated the tax rates in accordance with requirements in Water Code.[6]

Printed Name of Water District Representative

Water District Representative

Date

6) Tex. Water Code - 49.23601, 49.23602(d), and 49.23603

CROSSWINDS MUNICIPAL UTILITY DISTRICT
Pro-Forma Operating Fund Cash Balance
August 12, 2026

Current Operating Fund Balance (as of 7/8/2026)	$3,700,000	
Less: Net Cash Outflow (7/8/2026 – 12/31/2026)	($250,000)	(a)
1/1/2027 Approximate Available Balance	**$3,450,000**	
Plus: Collection of 2026 O&M Tax Levy	$740,000	(b)
Plus: 2027 W/S Operating Revenues	$0	(c)
Less: 2027 Operating Expenses	($600,000)	(d)
1/1/2028 Approximate Available Balance	**$3,590,000**	

a) Reflects estimated operating results per budget data, which excludes O&M tax revenues (already collected for calendar year 2026).

b) Assumes $0.19 O&M tax rate on $396 million of taxable value (at 98% collections).

c) No utility system revenues since water and sewer service is provided by the City of Kyle.

d) Approximate per fiscal year 2026 budget data.

CROSSWINDS MUNICIPAL UTILITY DISTRICT
Utility Debt Service Cash Flow - No A.V. Growth Assumed
Assumes the Sale of $5,800,000 Series 2026 Utility Bonds at 5.00%
Prepared for 2026 Tax Rate Setting

8/5/2026

2026TxRtStWSDDebtServiceNoGrow

UTILITY DEBT SERVICE FUND CASH FLOW ANALYSIS Prepared by Corey Howell at The GMS Group, L.L.C.

Calendar Year	Beginning Balance (A)	Interest Earnings (B)	Previous Yr. Assessed Valuation (C)	Utility D/S Tax Rate (T)	Coll. Factor	Projected Tax Revenues	Other Fund Sources (D)	Total Funds Available for Debt Service	Utility Debt Service Reqmnts (E)	Projected Ending Balance	Reserve Balance
2027	$510,000	$10,200	$396,000,000	$0.40	98%	$1,552,320	$0	$2,072,520	$1,558,340	$514,180	28%
2028	$514,180	$10,284	$443,842,306	$0.45	98%	$1,957,345	$0	$2,481,808	$1,824,424	$657,384	34%
2029	$657,384	$13,148	$443,842,306	$0.45	98%	$1,957,345	$0	$2,627,876	$1,932,799	$695,077	36%
2030	$695,077	$13,902	$443,842,306	$0.45	98%	$1,957,345	$0	$2,666,324	$1,935,080	$731,244	38%
2031	$731,244	$14,625	$443,842,306	$0.45	98%	$1,957,345	$0	$2,703,213	$1,937,186	$766,027	40%
2032	$766,027	$15,321	$443,842,306	$0.45	98%	$1,957,345	$0	$2,738,692	$1,934,849	$803,843	41%
2033	$803,843	$16,077	$443,842,306	$0.45	98%	$1,957,345	$0	$2,777,265	$1,938,199	$839,066	43%
2034	$839,066	$16,781	$443,842,306	$0.45	98%	$1,957,345	$0	$2,813,192	$1,946,324	$866,868	44%
2035	$866,868	$17,337	$443,842,306	$0.45	98%	$1,957,345	$0	$2,841,550	$1,949,118	$892,432	46%
2036	$892,432	$17,849	$443,842,306	$0.45	98%	$1,957,345	$0	$2,867,626	$1,959,949	$907,677	46%
2037	$907,677	$18,154	$443,842,306	$0.45	98%	$1,957,345	$0	$2,883,175	$1,968,768	$914,407	47%
2038	$914,407	$18,288	$443,842,306	$0.45	98%	$1,957,345	$0	$2,890,040	$1,965,396	$924,644	47%
2039	$924,644	$18,493	$443,842,306	$0.45	98%	$1,957,345	$0	$2,900,481	$1,974,068	$926,414	47%
2040	$926,414	$18,528	$443,842,306	$0.45	98%	$1,957,345	$0	$2,902,287	$1,989,191	$913,095	46%
2041	$913,095	$18,262	$443,842,306	$0.45	98%	$1,957,345	$0	$2,888,702	$1,995,958	$892,744	45%
2042	$892,744	$17,855	$443,842,306	$0.45	98%	$1,957,345	$0	$2,867,943	$1,999,513	$868,431	43%
2043	$868,431	$17,369	$443,842,306	$0.45	98%	$1,957,345	$0	$2,843,144	$2,000,088	$843,056	42%
2044	$843,056	$16,861	$443,842,306	$0.45	98%	$1,957,345	$0	$2,817,262	$2,012,615	$804,647	40%
2045	$804,647	$16,093	$443,842,306	$0.45	98%	$1,957,345	$0	$2,778,085	$2,016,719	$761,366	38%
2046	$761,366	$15,227	$443,842,306	$0.45	98%	$1,957,345	$0	$2,733,938	$2,017,539	$716,399	35%
2047	$716,399	$14,328	$443,842,306	$0.45	98%	$1,957,345	$0	$2,688,072	$2,029,913	$658,159	32%
2048	$658,159	$13,163	$443,842,306	$0.45	98%	$1,957,345	$0	$2,628,667	$2,033,621	$595,046	32%
2049	$595,046	$11,901	$443,842,306	$0.45	98%	$1,957,345	$0	$2,564,291	$1,880,656	$683,635	58%
2050	$683,635	$13,673	$443,842,306	$0.45	98%	$1,957,345	$0	$2,654,652	$1,176,913	$1,477,740	124%
2051	$1,477,740	$29,555	$443,842,306	$0.45	98%	$1,957,345	$0	$3,464,639	$1,187,800	$2,276,839	563%
2052	$2,276,839	$45,537	$443,842,306	$0.45	98%	$1,957,345	$0	$4,279,720	$404,125	$3,875,595	957%
2053	$3,875,595	$77,512	$443,842,306	$0.45	98%	$1,957,345	$0	$5,910,452	$404,875	$5,505,577	#DIV/0!

(A) The 2027 amount reflects the January 1, 2027 beginning balance in the Utility Debt Service Fund after all 2026 utility debt service payments.
(B) Projected at 2.0%.
(C) Represents the January 1, 2026 Taxable Value and the June 1, 2026 Estimate of Value per Hays CAD data. No AV growth assumed thereafter.
(D) None assumed.
(E) Represents existing utility debt service requirements plus the sale of $5,800,000 Series 2026 Utility Bonds at 5.00%.
(T) Reflects the District's Utility debt service tax rate only.

CROSSWINDS MUNICIPAL UTILITY DISTRICT
Road Debt Service Cash Flow - No A.V. Growth Assumed
Prepared for 2026 Tax Rate Setting

8/5/2026

2026TxRtStRoadDebtServiceNoGrow

ROAD DEBT SERVICE FUND CASH FLOW ANALYSIS — Prepared by Corey Howell at The GMS Group, L.L.C.

Calendar Year	Beginning Balance (A)	Interest Earnings (B)	Previous Yr. Assessed Valuation (C)	Road D/S Tax Rate (T)	Coll. Factor	Projected Tax Revenues	Other Fund Sources (D)	Total Funds Available for Debt Service	Road Debt Service Reqmnts (E)	Projected Ending Balance	Reserve Balance
2027	$625,000	$12,500	$396,000,000	$0.31	98%	$1,203,048	$0	$1,840,548	$1,415,468	$425,080	30%
2028	$425,080	$8,502	$443,842,306	$0.31	98%	$1,348,393	$0	$1,781,974	$1,407,768	$374,206	27%
2029	$374,206	$7,484	$443,842,306	$0.31	98%	$1,348,393	$0	$1,730,083	$1,393,968	$336,115	24%
2030	$336,115	$6,722	$443,842,306	$0.33	98%	$1,435,386	$0	$1,778,223	$1,384,068	$394,155	29%
2031	$394,155	$7,883	$443,842,306	$0.33	98%	$1,435,386	$0	$1,837,424	$1,374,481	$462,943	33%
2032	$462,943	$9,259	$443,842,306	$0.33	98%	$1,435,386	$0	$1,907,588	$1,416,668	$490,920	35%
2033	$490,920	$9,818	$443,842,306	$0.33	98%	$1,435,386	$0	$1,936,125	$1,414,130	$521,995	37%
2034	$521,995	$10,440	$443,842,306	$0.33	98%	$1,435,386	$0	$1,967,820	$1,405,552	$562,268	40%
2035	$562,268	$11,245	$443,842,306	$0.33	98%	$1,435,386	$0	$2,008,900	$1,396,046	$612,853	44%
2036	$612,853	$12,257	$443,842,306	$0.33	98%	$1,435,386	$0	$2,060,496	$1,390,255	$670,241	47%
2037	$670,241	$13,405	$443,842,306	$0.33	98%	$1,435,386	$0	$2,119,032	$1,432,043	$686,989	48%
2038	$686,989	$13,740	$443,842,306	$0.33	98%	$1,435,386	$0	$2,136,115	$1,426,518	$709,597	50%
2039	$709,597	$14,192	$443,842,306	$0.33	98%	$1,435,386	$0	$2,159,175	$1,414,687	$744,488	52%
2040	$744,488	$14,890	$443,842,306	$0.33	98%	$1,435,386	$0	$2,194,764	$1,430,925	$763,839	53%
2041	$763,839	$15,277	$443,842,306	$0.33	98%	$1,435,386	$0	$2,214,502	$1,444,546	$769,956	54%
2042	$769,956	$15,399	$443,842,306	$0.33	98%	$1,435,386	$0	$2,220,741	$1,431,263	$789,478	55%
2043	$789,478	$15,790	$443,842,306	$0.33	98%	$1,435,386	$0	$2,240,654	$1,426,081	$814,573	57%
2044	$814,573	$16,291	$443,842,306	$0.33	98%	$1,435,386	$0	$2,266,250	$1,438,325	$827,925	57%
2045	$827,925	$16,559	$443,842,306	$0.33	98%	$1,435,386	$0	$2,279,870	$1,448,072	$831,798	58%
2046	$831,798	$16,636	$443,842,306	$0.33	98%	$1,435,386	$0	$2,283,820	$1,435,747	$848,073	69%
2047	$848,073	$16,961	$443,842,306	$0.33	98%	$1,435,386	$0	$2,300,420	$1,230,903	$1,069,517	104%
2048	$1,069,517	$21,390	$443,842,306	$0.33	98%	$1,435,386	$0	$2,526,294	$1,026,531	$1,499,762	146%
2049	$1,499,762	$29,995	$443,842,306	$0.33	98%	$1,435,386	$0	$2,965,144	$1,028,209	$1,936,934	372%
2050	$1,936,934	$38,739	$443,842,306	$0.33	98%	$1,435,386	$0	$3,411,059	$520,519	$2,890,540	#DIV/0!

(A) The 2027 amount reflects the January 1, 2027 beginning balance in the Road Debt Service Fund after all 2026 road debt service payments.
(B) Projected at 2.0%.
(C) Represents the January 1, 2026 Taxable Value and the June 1, 2026 Estimate of Value per Hays CAD data. No AV growth assumed thereafter.
(D) None assumed.
(E) Represents existing road debt service requirements. No additional road bonds assumed.
(T) Reflects the District's road debt service tax rate only.