OFFICIAL STATEMENT
Dated: July 6, 2021

NEW ISSUE - Book-Entry-Only

S&P Insured Ratings: "AA" (stable outlook)
(See "BOND INSURANCE", "BOND INSURANCE GENERAL RISKS" and "RATINGS" herein)

In the opinion of Bond Counsel (defined below), assuming continuing compliance by the City (defined below) after the date of initial delivery of the Bonds (defined below), with certain covenants contained in the Ordinance (defined below) and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. (See "TAX MATTERS" herein.)

The City has designated the Bonds as "Qualified Tax-Exempt Obligations" for financial institutions.

$2,040,000
CITY OF BORGER, TEXAS
(A political subdivision of the State of Texas located in Hutchinson County, Texas)
VENUE PROJECT REVENUE BONDS (COMBINED VENUE TAX), SERIES 2021

Dated Date: July 1, 2021
Interest Accrual: Dated Date (defined below)

Due: August 1, as shown on p. ii hereof

The City of Borger, Texas Venue Project Revenue Bonds (Combined Venue Tax), Series 2021 (the "Bonds") are being issued by the City of Borger, Texas (the "City" or "Issuer") pursuant to the provisions of Chapter 334, as amended, Texas Local Government Code, an election held in the City on November 3, 2020, an ordinance adopted by the City Council of the City on July 6, 2021 (the "Ordinance"), and the City's Home Rule Charter. (See "PLAN OF FINANCE – Authorization and Purposes".)

The Bonds constitute special, limited obligations of the City, payable solely from and secured by a lien on and pledge of certain City revenues (as identified and described herein with respect to both source and priority, and herein referred to as the "Pledged Revenues"), being, primarily (i) a first and prior lien on and pledge of the Property Tax Revenues, (ii) a first and prior lien on the Hotel Occupancy Tax Revenues, and (iii) a first and prior lien on the Admissions Tax Revenues (each defined herein). The Bonds are being issued by the City to (i) finance the costs of the Venue Project (defined herein) and (ii) paying the costs of issuing the Bonds.

The Bonds are payable solely from and secured by the lien on and pledge of the Pledged Revenues as provided in the Ordinance and not from any other revenues, properties, or income of the City. Except for the City's Property Tax Revenues, neither the State of Texas (the "State") nor any political corporation, subdivision, or agency thereof (other than the City) will be obligated to pay the Bonds or interest thereon, and neither the faith and credit nor the ad valorem taxing power of the State or any political corporation, subdivision, or agency thereof is pledged to the payment of principal of or interest on the Bonds. No mortgage or deed of trust on any Venue Project or any other City property is created by the Ordinance.

The definitive Bonds will be issued as fully registered bonds in denominations of $5,000 or integral multiples thereof. When issued, the definitive Bonds will be registered in the name of Cede & Co., as registered holder and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form. The Underwriter will not receive certificates representing their beneficial interest in the Bonds purchased. Interest on the Bonds will accrue from July 1, 2021 (the "Dated Date") as shown above to the Underwriter and is payable on February 1, 2022, and on each August 1 and February 1 thereafter until stated maturity or prior redemption. So long as DTC or its nominee is the registered owner of the Bonds, the principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar, which initially is BOKF, NA, Dallas, Texas, to Cede & Co., who 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" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP. (See "BOND INSURANCE" and "BOND INSURANCE GENERAL RISKS" herein.)

ASSURED GUARANTY® MUNICIPAL

SEE PAGE ii HEREIN FOR STATED MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS, AND REDEMPTION PROVISIONS FOR THE BONDS

The Bonds are offered for delivery when, as and if issued and received by the initial purchaser thereof identified below (the "Underwriter") subject to the approval of legality by the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, McCall, Parkhurst & Horton L.L.P., San Antonio, Texas. The Bonds are expected to be available for initial delivery through the services of DTC on or about August 4, 2021 (the "Date of Delivery").

FHN Financial Capital Markets

$2,040,000
City of Borger, Texas
Venue Project Revenue Bonds (Combined Venue Tax), Series 2021

CUSIP No. Prefix[(1)] **099806**

MATURITY SCHEDULE

$590.000 Serial Bonds

Maturity Date (August 1)	Principal Amount ($)	Interest Rate (%)	Initial Yield (%)	CUSIP No. Suffix[(1)]
2022	$ 45,000	3.000	0.350	AA9
2023	60,000	3.000	0.450	AB7
2024	65,000	3.000	0.550	AC5
2025	65,000	3.000	0.750	AD3
2026	65,000	3.000	0.900	AE1
2027	70,000	3.000	1.050	AF8
2028	70,000	3.000	1.150	AG6
2029	75,000	3.000	1.300	AH4
2030	75,000	3.000	1.450	AJ0

$1,450,000 Term Bonds

$400,000 2.000% Term Bond due on August 1, 2035 and priced to yield 2.100% [(2)] CUSIP Suffix [(1)] AK7
$1,050,000 2.250% Term Bond due on August 1, 2046 and priced to yield 2.450% [(2)] CUSIP Suffix [(1)] AM3

(Interest to accrue from the Dated Date)

Redemption

The Bonds maturing on or after August 1, 2031 may be redeemed, in whole or in part, prior to stated maturity at the City's option on August 1, 2030, or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption. In addition, the Bonds maturing on August 1, 2035 and August 1, 2046 (the "Term Bonds") will also be subject to mandatory sinking fund redemption. (See "THE BONDS – Redemption" herein.)

(1) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the City, the Financial Advisor or the Underwriter is responsible for the selection or correctness of the CUSIP numbers set forth herein.
(2) Yield is calculated to the first call date, August 1, 2030.

CITY OF BORGER, TEXAS
600 N. MAIN STREET
BORGER, TEXAS 79007

ELECTED OFFICIALS

Name	Years Served	Term Expires (May)	Occupation
Karen Felker Mayor, Place 3	6 1/2	2023	Inside Sales/Pricing Analyst
Milton Ooley Mayor Pro-Tem Place 5	4 1/2	2022	Retired, Educator
Charles Loftis Councilmember, Place 1	15 1/2	2024	Retired, Coach
Marvin Dickson Councilmember, Place 4	13 1/2	2022	Retired, Maintenance Supervisor
Kim Perez Councilmember Place 2	Elected 11/2020	2023	Business Owner

ADMINISTRATION

Name	Position	Length of Service (Years)
Garrett Spradling	City Manager	11
Scott Radach	Director of Finance	11
Stella Sauls	City Secretary	29

CONSULTANTS AND ADVISORS

Bond Counsel	Norton Rose Fulbright US LLP Austin and San Antonio, Texas
Certified Public Accountants	Anderson Hill, LLP Lubbock, Texas
Financial Advisor	SAMCO Capital Markets, Inc. San Antonio, Texas

For Additional Information Please Contact:

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USE OF INFORMATION IN OFFICIAL STATEMENT

This Official Statement, which includes the cover page, and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

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

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor or the Underwriter. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein 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 City or other matters described. See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the City’s undertaking to provide certain information on a continuing basis.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Financial Advisor 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 its responsibilities to the City 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.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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

NONE OF THE CITY, THE FINANCIAL ADVISOR, OR THE UNDERWRITER MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY-ONLY SYSTEM OR THE AFFAIRS OF AGM (DEFINED HEREIN), IF ANY, AND ITS MUNICIPAL BOND INSURANCE POLICY, AS DESCRIBED HEREIN OR INCORPORATED BY REFERENCE UNDER THE CAPTION “BOND INSURANCE” as such information was provided by DTC and AGM respectively.

The agreements of the City and others related to the Bonds are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as constituting an agreement with the purchasers of the Bonds. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

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

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OFFICIAL STATEMENT

RELATING TO

$2,040,000
CITY OF BORGER, TEXAS
VENUE PROJECT REVENUE BONDS (COMBINED VENUE TAX), SERIES 2021

INTRODUCTORY STATEMENT

This Official Statement has been prepared by the City of Borger, Texas (the "Issuer" or the "City"), in connection with its offering of its Venue Project Revenue Bonds (Combined Venue Tax), Series 2021 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the respective meanings ascribed thereto in the Ordinance (hereinafter defined). See "Excerpts from the Ordinance" attached hereto as Appendix A.

There follows in this Official Statement descriptions of the Bonds and certain other information about the City 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 the City at 600 N. Main, Borger, Texas 79007 and, during the offering period, from the City's Financial Advisor, SAMCO Capital Markets, Inc., 1020 NE Loop 410, Suite 640, San Antonio, Texas 78209, upon request by electronic mail or physical delivery upon payment of reasonable copying, mailing, and handling charges.

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

Infectious Disease Outbreak – COVID -19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas (the "State"). On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID- 19 in the United States.

On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State in response to the Pandemic which has been subsequently extended and remains in effect. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a State agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness and mitigation. However, on March 2, 2021 (but effective as of March 10, 2021), the Governor issued Executive Order GA-34, which supersedes most of the executive orders relating to COVID-19 and provides, generally, for the reopening of the State to 100%, ends the COVID-19 mask mandate, and supersedes any conflicting order issued by local officials in response to COVID-19, among other things and subject to certain limitations. Executive Order GA-34 remains in place until amended, rescinded, or superseded by the Governor. On May 18, 2021, the Governor issued Executive Order GA-36, which rescinds certain provisions of GA-34 and provides that no governmental entity, including the City, may require any person to wear a face covering or to mandate that another person wear a face covering. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

The City collects a sales and use tax on all taxable transactions within the City's boundaries, revenue from the sale of water and the collection of sewage, franchise fees based on private utility sales, hotel occupancy taxes upon the occupancy of any hotel or motel room in the City, and other excise taxes and fees that depend on business activity. Further actions may be taken to slow the Pandemic which may reduce economic activity within the City on which the City collects taxes, charges, and fees. A reduction in the collection of sales or other excise taxes, utility system revenue, hotel occupancy tax revenues, and utility franchise and other fees and charges may negatively impact the City's operating budget and overall financial condition. In addition, the Pandemic has resulted in volatility of the value of investments in pension funds. Any prolonged continuation of the Pandemic could further weaken asset values or slow or prevent their recovery, which could require increased City contributions to fund or pay retirement and other post-employment benefits in the future.

The full extent of the ongoing impact of COVID-19 on the City's longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies discussed above, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted. The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the City. While the potential impact of the Pandemic on City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the City.

The financial and operating data contained herein are the latest available but are for the dates and the periods stated herein. The Bonds are partially secured by ad valorem property taxes and a reduction in property values would impact the overall receipt of total funds received. It is unclear at this time what effect, if any, COVID-19 and resulting economic disruption may have on future collections of certain revenues securing the Bonds.

Convening of the Texas Legislature

On January 12, 2021, the 87th Texas Legislature convened in general session which adjourned on May 31, 2021. The Texas Governor called a special session beginning July 8, 2021, and the Texas Governor may call one or more additional special sessions. During this time, the Texas Legislature may enact laws that materially change current law as it relates to the City and the financial condition of the City. The City makes no representation regarding any actions the Texas Legislature may take but intends to monitor proposed and final legislation for any developments applicable to the City.

PLAN OF FINANCE

Authorization and Purposes

The Bonds are being issued pursuant to the provisions of Chapter 334, as amended, Texas Local Government Code ("Chapter 334"), an election held in the City on November 3, 2020, an ordinance adopted by the City Council of the City (the "City Council") on July 6, 2021 (the "Ordinance"), and the City's Home Rule Charter.

Proceeds from the sale of the Bonds will be used to (i) finance the costs of the Venue Project (defined herein) and (ii) paying the costs of issuing the Bonds.

Venue Project and Venue Taxes

The Venue Project. In January 2020, the City Council adopted Resolution R-002-20 (the "Resolution") authorizing a Venue Project pursuant to Chapter 334 and providing for the planning, acquisition, establishment, development, construction, renovation, and financing of a Venue Project of the type described and defined in Chapter 334, including the maintenance and operation thereof, and described generally to consist of an arena, coliseum, stadium, or other type of arena or facility, including any related infrastructure (i) that is used or is planned for use for one or more professional or amateur sports events, community events, or other sports events, including promotional events, and other civic or charitable events; and (ii) for which a fee for admission to the events is charged or is planned to be charged (collectively, the "Venue Project"). The Venue Project has been designated as a "sports and community venue project" within the City in accordance with and as defined by Chapter 334.

The Venue Project is located at the Dome (defined herein) and the property on which the Dome is located, which is in the Johnson Park area amongst other civic event facilities such as "Bulldog Stadium," home to the Borger Bulldog Football team; the Johnson Park Youth Center, Gym, and Swimming Pool; a Disc Golf Course; competition Horseshoe Pits; a Nature Trail, the "Johnson Park Sports Complex," home of the Frank Phillips College Lady Plainsman Softball team; and most recently the Chad Alan Foster Memorial Trails consisting of over seven miles of newly constructed hiking and mountain biking trails.

History of the Dome. In the late 1950's, the City and Hutchinson County were experiencing an economic boom during the post-war years, and the community began pushing for an event center. Following the failure of a $425,000 bond election for the construction of a civic center, the Mayor of the City and Chamber of Commerce Manager saw a television commercial for a Kaiser Aluminum Dome, which was a more economical alternative to the failed civic center. After a petition of 707 signatures was submitted to the Hutchinson County Commissioners Court, the Commissioners Court called for a bond election on July 2, 1957. The vote passed with 598 votes for and 378 against. Construction finished later that year and the Hutchinson County Dome (the "Dome") became the second Kaiser Aluminum Dome in the United States and the first Kaiser Aluminum Dome constructed in the continental United States. Following the 1999 demolition of the first Kaiser Aluminum Dome in Hawaii, the Dome is the oldest remaining Kaiser Aluminum Dome.

Over the years, this unique geodesic structure has become an iconic part of the community. Within less than a decade, the Dome was incorporated into the City Seal, where it remains centered to this day. It is a small piece of history and a symbol from the period of the City and Hutchinson County's early prosperity that contributed to the City earning the prestigious "All-American City" award from the National Civic League in 1969. To this day, the City remains the only city in the entire High Plains region to hold the coveted All-American City Award. Throughout the years the Dome has been home to many significant events such as the Magic Plains Oil Expo, the World's Largest Fish Fry, the Hutchinson County Junior Livestock Show and the Hutchinson County Oil Patch Extravaganza (HOPE). Most recently, the Dome was the backdrop utilized for the 50-year All-American City Celebration, a free community concert that featured Texas Country star Kevin Fowler and a fireworks show.

Constructing a civic and convention center was identified as a "Strategic Pillar" by the City Council in 2018. After an engineering assessment of the physical structure and other due diligence, ownership of the Dome and nine accompanying acres of property was transferred to the City from Hutchinson County in December 2018. Plans, specifications, bidding, and construction award to rehabilitate and renovate the Dome for conversion into an event and convention center have been completed. Once the Venue Project is complete, the renovations will bring a piece of the community's past into its future and assure that the iconic structure will continue to be a staple of the community and a source of pride and memories for generations to come.

Venue Project construction entails waterproofing, acoustical improvements, complete HVAC systems, modern electrical and lighting systems, storage areas, restrooms, floor renovations, parking lot, and other improvements to the physical structure of the Dome. Additional facility expansion not associated with, but directly connected to the Venue Project include additional new restrooms, catering kitchen, meeting rooms, large banquet hall, and parking lot improvements. The City could not be prouder to bring an important part of our community's history back to life and is looking forward to all the positive impacts that the Venue Project will have on the community.

Venue Taxes. The City submitted the Resolution to the Texas Comptroller of Public Accounts, as required by Chapter 334, and received written confirmation by letter dated January 13, 2020, that approval and implementation of the Resolution would have no significant negative fiscal impact on revenues of the State of Texas ("Texas" or the "State"). The Resolution designated the following financing methods for the Venue Project:

(a) a pledge of the "Property Tax Revenues", which is an amount not to exceed three percent of the total revenues realized by the City from its imposition and collection of the property tax pursuant to the procedures set forth in the City Charter and the City's code of ordinances (the "Property Tax"), all pursuant and subject to and in accordance with the Venue Project Ordinance (defined herein) and the City Charter; and

(b) a pledge of the "Hotel Occupancy Tax Revenues", which is the revenues realized by the City from its imposition and collection of a two percent hotel occupancy tax in accordance with Subchapter H of the Chapter 334 (the "Hotel Occupancy Tax"), to include penalties and interest for late payments and other payment or reporting-related noncompliance, but excluding amounts withheld for payment of collection costs owed to third parties and rebates, exceptions, and reimbursements as may from time to time be required by applicable law, all pursuant and subject to, and in accordance with, the Venue Project Ordinance; and

(c) a pledge of the "Admissions Tax Revenues", which is the revenues realized by the City from its imposition and collection of a new admission tax at a rate not to exceed ten percent (10%) of the price of the tickets sold as admission to an event at the City's Venue Project as and to the extent authorized by Subchapter F of the Chapter 334 (the "Admissions Tax" and, collectively with the Property Tax and the Hotel Occupancy Tax, the "Venue Taxes"), to include penalties and interest for late payments and other payment or reporting-related noncompliance, but excluding amounts withheld for payment of collection costs owed to third parties and rebates, exceptions, and reimbursements as may from time to time be required by applicable law, all pursuant and subject to, and in accordance with, the Venue Project Ordinance.

The Property Tax Revenues, Hotel Occupancy Tax Revenues, and the Admissions Tax Revenues are referred to herein, collectively, as the "Pledged Revenues". On August 4, 2020, the City adopted Ordinance No. 0-006-20 calling a special election to be held within the City on November 3, 2020 (the "Election") to permit City residents to vote on the approval of the adoption and implementation of the Resolution. At the Election, qualified City voters approved the adoption and implementation of the Resolution, including designating the Venue Project as a "sports and community venue project", imposing and collecting the Venue Taxes, and issuing one or more series of bonds secured by and payable, in whole or in part, from the revenues derived by the City from imposing and collecting the Venue Taxes for purpose of financing the planning, acquisition, establishment, development, construction and renovation of the Venue Project as permitted under Chapter 334. The issuance of the Bonds will represent the only outstanding City debt pursuant to this voted authority. On January 5, 2021, the City adopted an Ordinance (the "Venue Project Ordinance") imposing the Hotel Occupancy Tax and providing for the collection thereof and the collection of the Property Tax. The City began collecting the Hotel Occupancy Tax on February 1, 2021. See "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS – Pledged Revenues", "The Property Tax Code and The Hotel Occupancy Tax" for additional information regarding the Property Tax Code and the Hotel Occupancy Tax, respectively.

Sources and Uses of Funds

The proceeds from the sale of the Bonds will be applied approximately as follows:

Sources	
Principal Amount of the Bonds	$ 2,040,000.00
Accrued Interest	4,521.46
Net Reoffering Premium	13,402.60
Total Sources of Funds	$ 2,057,924.06
Uses	
Deposit to Construction Account	$ 1,775,000.00
Deposit to Bond Fund	115,996.46
Costs of Issuance (including Bond Insurance Premium)	142,542.60
Underwriter's Discount	24,385.00
Total Uses of Funds	$ 2,057,924.06

Debt Service and Debt Service Coverage

The table on the following page includes the debt service requirements on the Bonds, along with a pledge of the Property Tax Revenues and the estimated Hotel Occupancy Tax Revenues. The Property Tax Revenues for fiscal year 2021 was calculated as 3% of the City's property tax collected. The Hotel Occupancy Tax Revenue was calculated based upon the City's collected 2% Hotel Occupancy Tax and extrapolated as if the Hotel Occupancy Tax was in place for the entire year. For future years the City is utilizing a zero growth assumption.

Venue Tax Revenue and Bond Debt Service **Table 1**

Fiscal Year Ending (Sept. 30)	Projected HOT Revenue ($)[1]	Projected 3% Property Tax Revenue ($)[2]	Pledged Revenue Available for D/S ($)	Principal ($)	Interest ($)	Total Debt Service ($)	Principal Unpaid at End of Year ($)	Percent of Principal Retired (%)	Annual Coverage Ratio (%)	Excess Revenues ($)
2022	$ 98,937	$ 112,074	211,011	$ 45,000	$ 53,435	$ 98,435	1,995,000	2.2%	214.4%	222,576 [4]
2023	99,679	112,354	212,034	60,000	47,975	107,975	1,935,000	5.1%	196.4%	214,059 [4]
2024	100,427	112,635	213,062	65,000	46,175	111,175	1,870,000	8.3%	191.6%	211,887 [4]
2025	101,180	112,917	214,097	65,000	44,225	109,225	1,805,000	11.5%	196.0%	214,872 [4]
2026	101,939	113,199	215,138	65,000	42,275	107,275	1,740,000	14.7%	200.5%	217,863 [4]
2027	102,703	113,482	216,185	70,000	40,325	110,325	1,670,000	18.1%	196.0%	215,860 [4]
2028	103,474	113,766	217,239	70,000	38,225	108,225	1,600,000	21.6%	200.7%	219,014 [4]
2029	104,250	114,050	218,300	75,000	36,125	111,125	1,525,000	25.2%	196.4%	217,175 [4]
2030	105,032	114,335	219,367	75,000	33,875	108,875	1,450,000	28.9%	201.5%	220,492 [4]
2031	105,819	114,621	220,441	75,000	31,625	106,625	1,375,000	32.6%	206.7%	223,816 [4]
2032	106,613	114,908	221,521	80,000	30,125	110,125	1,295,000	36.5%	201.2%	221,396 [4]
2033	107,413	115,195	222,608	80,000	28,525	108,525	1,215,000	40.4%	205.1%	224,083 [4]
2034	108,218	115,483	223,701	80,000	26,925	106,925	1,135,000	44.4%	209.2%	226,776 [4]
2035	109,030	115,772	224,802	85,000	25,325	110,325	1,050,000	48.5%	203.8%	224,477 [4]
2036	109,848	116,061	225,909	85,000	23,625	108,625	965,000	52.7%	208.0%	227,284 [4]
2037	110,671	116,351	227,023	85,000	21,713	106,713	880,000	56.9%	212.7%	230,310 [4]
2038	111,501	116,642	228,144	90,000	19,800	109,800	790,000	61.3%	207.8%	228,344 [4]
2039	112,338	116,934	229,271	90,000	17,775	107,775	700,000	65.7%	212.7%	231,496 [4]
2040	113,180	117,226	230,406	95,000	15,750	110,750	605,000	70.3%	208.0%	229,656 [4]
2041	114,029	117,519	231,548	95,000	13,613	108,613	510,000	75.0%	213.2%	232,936 [4]
2042	114,884	117,813	232,697	100,000	11,475	111,475	410,000	79.9%	208.7%	231,222 [4]
2043	115,746	118,107	233,853	100,000	9,225	109,225	310,000	84.8%	214.1%	234,628 [4]
2044	116,614	118,403	235,017	100,000	6,975	106,975	210,000	89.7%	219.7%	238,042 [4]
2045	117,489	118,699	236,187	105,000	4,725	109,725	105,000	94.9%	215.3%	236,462 [4]
2046	118,370	118,995	237,365	105,000	2,363	107,363	-	100.0%	221.1%	$ 240,003 [4]
Total	$ 2,709,385	$ 2,887,541	$ 5,706,926	$ 2,040,000	$ 672,198	$ 2,712,198	$ -			

(1) Hotel Occupancy Tax Revenues reflect the annulized average of actual collections of Hotel Occupancy Tax from October 1, 2015 through September 30, 2019 multiplied by a conservative factor of 98.0%. Subsequent years are shown at an increasing conservative estimate of 0.75%. Fiscal year ending 2020 was purposely left out due to the unprecedented decline in travel caused by the COVID-19 pandemic. Hotel Occupancy Tax Revenues are strong for the first four months of fiscal year 2021.

(2) Property Tax of 3% reflects the annulized average of actual collections of property tax from October 1, 2015 through September 30, 2020 multiplied by a conservative factor of 98.0%. Subsequent years are shown at an increasing conservative estimate of 0.25%.

(3) The Reserve Fund will be funded with proceeds of the Bonds and maintained at a minimum of $111,475 until all bonds have been defeased.

(4) Annual excess revenues include Bond Reserve Fund minimum balance.

THE BONDS

General Description

The Bonds will be dated July 1, 2021 (the "Dated Date") and will be issued in principal denominations of $5,000 or any integral multiple thereof. The Bonds bear interest from the Dated Date at the stated interest rates indicated on page ii hereof. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and is payable on February 1, 2022, and each August 1 and February 1 thereafter, until the earlier of stated maturity or prior redemption.

Interest on the Bonds is payable to the registered owners appearing on the bond registration books of the Paying Agent/Registrar (the "Register") on the Record Date (identified below) and such interest 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 Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. The principal of the Bonds is payable at stated maturity or redemption upon their presentation and surrender to the Paying Agent/Registrar. The Bonds will be issued only in fully registered form in denominations of $5,000 or any integral multiple thereof.

If the date for any payment due on any Bond is a Saturday, Sunday, legal holiday, or day on which banking institutions in the city in which the designated corporate trust 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 day. The payment on such date shall have the same force and effect as if made on the original date payment was due.

Initially, the Bonds will be registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Notwithstanding the foregoing, as long as the Bonds are held in the Book-Entry-Only System, principal of, premium (if any), and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. (See "THE BONDS – Book-Entry-Only System" herein.)

Security for Payment

The Bonds are special, limited obligations of the City, the principal and interest on which are payable solely from and secured solely by a lien on and pledge of, certain City revenues, being the Pledged Revenues (as further described herein; see "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS" herein).

Perfection of Security Interest

Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds and the pledge of Pledged Revenues granted by the City as security therefor, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of Pledged Revenues granted by the City is to be subject to the filing requirements of Chapter 9, as amended, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in such pledge, the City has agreed to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code, and enable a filing to perfect the security interest in the Pledged Revenues to occur.

Additional Obligations

No Additional Parity Obligations for New Money Purposes. In the Ordinance, the City covenanted to not issue any additional obligations secured by a parity lien on and pledge of any revenues that constitute a part of Pledged Revenues; provided, however, that this covenant shall not prevent the City from issuing one or more series of bonds, notes, warrants, certificates of obligation or other debt that are payable, in whole or in part, from and equally and ratably secured by Pledged Revenues ("Additional Combined Venue Tax Bonds") if the purpose of such issuance is to (i) refund the Bonds, in part, if such refunding results in a net present value savings when comparing the debt service on the refunded Bonds to the debt service on such refunding Additional Combined Venue Tax Bonds or (ii) cure an event of default of the City under the Ordinance.

Junior Lien Obligations. The City may, at its option and from time to time for any lawful purpose, issue obligations payable from and secured by a subordinate lien on and pledge of all or part of any City revenues (including Pledged Revenues) theretofore pledged as security for the repayment of any Bonds to remain Outstanding after the issuance of the contemplated subordinate lien obligations. Such junior lien obligations shall have the characteristics and be subject to the terms and conditions as determined by the City. There are currently no junior lien obligations outstanding.

Redemption

Optional Redemption. The Bonds having stated maturities on and after August 1, 2031 are subject to redemption, at the request and option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If any Bonds within a Stated Maturity are to be redeemed or less than all outstanding Bonds are to be redeemed, such Bonds to be redeemed will be selected at random and by lot by the Paying Agent/Registrar.

Mandatory Sinking Fund Redemption. In addition, the Bonds maturing on August 1, 2035 and August 1, 2046 (the "Term Bonds") are subject to mandatory sinking fund redemption prior to their stated maturity at a price of par plus accrued interest to the redemption date as follows:

Term Bonds Mature on August 1, 2035	
Redemption Date	**Principal Amount**
August 1, 2031	$ 75,000
August 1, 2032	80,000
August 1, 2033	80,000
August 1, 2034	80,000
August 1, 2035*	85,000

Term Bonds Mature on August 1, 2046	
Redemption Date	**Principal Amount**
August 1, 2036	$ 85,000
August 1, 2037	85,000
August 1, 2038	90,000
August 1, 2039	90,000
August 1, 2040	95,000
August 1, 2041	95,000
August 1, 2042	100,000
August 1, 2043	100,000
August 1, 2044	100,000
August 1, 2045	105,000
August 1, 2046*	105,000

*Stated Maturity.

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds within the applicable Stated Maturity to be redeemed on the next following August 1 from money set aside for that purpose in the Bond Fund. Any Term Bonds not selected for prior redemption shall be paid on the date of their stated maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Bonds of such stated maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory redemption requirement.

Notice of Redemption. Not less than 30 days prior to a redemption date for the Bonds, the City must cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each such registered owner of a Bond to be redeemed, in whole or in part, at the address of the registered owner appearing on the Register at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE OF REDEMPTION SO MAILED WILL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER RECEIVED BY THE OWNER. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been given as herein above provided, such Bond (or the principal amount thereof to be redeemed) will become due and payable and interest thereon will cease to accrue from and after the redemption date thereof, provided money sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

All notices of redemption must (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, will become due and payable on the redemption date specified, and the interest thereof, or on the portion of the principal amount thereof to be redeemed, will cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, will be made at the designated corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the registered owner.

Notices of Redemption and Amendments through DTC

The Paying Agent/Registrar and the City, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Ordinance, or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owners, will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the City will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with the rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds for the beneficial owners. Any such selection of Bonds to be redeemed will not be governed by the Ordinance and will not be conducted by the City or the Paying Agent/Registrar. None of the City, the Paying Agent/Registrar, or the Underwriter will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments of the Bonds or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Bonds for redemption. (See "THE BONDS – Book-Entry-Only System" herein.)

Book-Entry-Only System

The following describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information under this subcaption concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City, the Financial Advisor and the Underwriter believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The City and the Underwriter 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 (defined below), or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission ("SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

General. The Depository Trust Company, New York, New York ("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 requested by an authorized representative of DTC. One fully registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. DTC, the world's largest 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, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within 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 Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 and 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 City or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with 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 nor its nominee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar.

Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the Financial Advisor, nor the Underwriter take any responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of This Official Statement. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Effect of Termination of Book-Entry-Only System. In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the City, printed certificates will be issued to the respective holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under the caption "REGISTRATION, TRANSFER, AND EXCHANGE" below.

Defeasance

Any Bond will be deemed paid and shall no longer be considered to be outstanding within the meaning of the Ordinance when payment of the principal of, redemption premium (if any), and interest on such Bond to its stated maturity or redemption date will have been made or will have been provided for by depositing with the Paying Agent/Registrar, or an authorized escrow agent, (1) cash in an amount sufficient to make such payment, (2) Government Obligations (defined herein) to be of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, or (3) a combination of money and Government Obligations together so certified sufficient to make such payment. In the event of a defeasance of the Bonds, the City will deliver a certificate from its financial advisor, the Paying Agent/Registrar or another qualified third party concerning the deposit of cash and/or Government Securities, to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The City has additionally reserved the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Obligations for the Government Obligations originally deposited, to reinvest the uninvested money on deposit for such defeasance and to withdraw for the benefit of the City money in excess of the amount required for such defeasance.

The Ordinance provides that the term "Government Obligations" means the (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States of America; (ii) 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 issuer 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; (iii) 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 issuer 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; or (iv) any additional securities and obligations hereafter authorized by the laws of the State as eligible for use to accomplish the discharge of obligations such as the Bonds. There is no assurance that the ratings for United States Treasury securities acquired to defease any Bonds, or those for any other Government Obligations, will be maintained by any particular rating category. Further, there is no assurance that current State law will not be amended in a manner that expands or contracts the list of permissible Government Obligations (such list consisting of those securities identified in clauses (i) through (iii) above), or any rating requirement thereon, that may be purchased with defeasance proceeds relating to the Bonds ("Defeasance Proceeds"), though the City has reserved the right to utilize any additional securities for such purpose in the event the aforementioned list is expanded. Because the Ordinance does not contractually limit such permissible defeasance securities and expressly recognizes the ability of the City to use lawfully available Defeasance Proceeds to defease all or any portion of the Bonds, Registered Owners of Bonds are deemed to have consented to the use of Defeasance Proceeds to purchase such other defeasance securities, notwithstanding the fact that such defeasance securities may not be of the same investment quality as those currently identified under State law as permissible defeasance securities.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid, and the City shall have no further ability to amend the Ordinance or redeem the Bonds prior to their stated maturity. After firm banking and financial arrangements for the discharge and final payment of the Bonds have been made as described above, all rights of the City to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, the City has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption at an earlier date those Bonds which have been defeased to their stated maturity date, if the City (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.

Amendments

The City may amend the Ordinance without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the written consent of the holders of a majority in aggregate principal amount of the Bonds then outstanding, amend, add to, or rescind any of the provisions of the Ordinance; except that, without the consent of all of the registered owners of the Bonds then outstanding, no such amendment, addition, or rescission may (1) change the date specified as the date on which the principal of, or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, or the rate of interest thereon, the redemption price therefor, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the percentage of the aggregate principal amount of Bonds required to be held for consent to any amendment, addition, or waiver.

Defaults and Remedies

If the City defaults in the payment of principal, interest, or redemption price of or on the Bonds, as applicable, when due, or if it fails to make payments into any fund or funds created in the Ordinance, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Ordinance, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Bonds, if there is no other available remedy at law to compel performance of the Bonds or Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. Texas counties are generally immune from suits for money damages for breach of contracts under the doctrine of sovereign immunity. The Texas Supreme Court ruled in *Tooke v. City of Mexia,* 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Furthermore, Tooke, and subsequent jurisprudence, held that a municipality is not immune from suit for torts committed in the performance of its proprietary functions, as it is for torts committed in the performance of its governmental functions (the "Proprietary-Governmental Dichotomy"). Governmental functions are those that are enjoined on a municipality by law and are given by the State as a part of the State's sovereignty, to be exercised by the municipality in the interest of the general public, while proprietary functions are those that a municipality may, in its discretion, perform in the interest of the inhabitants of municipality. In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson"), the Court addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people'" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources." While the Court recognized that the distinction between government and proprietary functions is not clear, the Wasson opinion held that Proprietary-Governmental Dichotomy applies in contract-claims context. The Court reviewed Wasson for a second time and issued an opinion on October 5, 2018, clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of inception of the contractual relationship. Because it is unclear whether the State legislature has effectively waived the City's sovereign immunity from a suit for money damages, bondholders may not be able to bring such a suit against the City for breach of the Bonds or the Ordinance covenants. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the lien on the Pledged Revenues securing the Bonds to pay the principal of and interest on such Bonds. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues (such as the Pledged Revenues securing the Bonds), such provision is subject to judicial construction. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Ordinance and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors and general principles of equity that permit the exercise of judicial discretion.

Payment Record

The City has never defaulted on the payment of its bonded indebtedness.

Legality

The Bonds are offered for delivery when issued and received by the initial purchasers thereof (the "Underwriter") subject to the approving opinion of the Attorney General of the State and the approval of certain legal matters by Norton Rose Fulbright US LLP, Bond Counsel, Austin and San Antonio, Texas. The legal opinion of Bond Counsel will be printed on or attached to Bonds of the corresponding series. A form of Bond Counsel's legal opinion appears in Appendix D attached hereto.

Delivery

When issued; anticipated to occur on or about August 4, 2021.

REGISTRATION, TRANSFER, AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas. The Bonds will be issued in fully registered form in multiples of $5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. If the Bonds are not held in the Book-Entry-Only System, interest on the Bonds will be paid by check or draft mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Register on the Record Date (defined herein) or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Principal of the Bonds will be paid to the registered owner at stated maturity or earlier redemption upon presentation to the Paying Agent/Registrar. If the date for the payment of the principal of, redemption premium (if any), or interest on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Successor Paying Agent/Registrar

The City covenants that until the Bonds are paid it will at all times maintain and provide a paying agent/registrar. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the City, the new Paying Agent/Registrar must accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the City must be a bank, trust company, financial institution or other entity duly qualified and legally authorized to serve and perform the duties of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the City will promptly cause a notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall give the address of the new Paying Agent/Registrar. No removal or replacement of the Paying Agent/Registrar will be effective until a new successor has been appointed and qualified as such.

Record Date

The record date ("Record Date") for determining the registered owner entitled to the receipt of payment of interest on a Bond on any interest payment date is the fifteenth day of the calendar month preceding the month in which occurs the subject interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and 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 (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 on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

Registration, Transferability and Exchange

In the event the Book-Entry-Only System is discontinued, printed certificates will be issued to the registered owners of the Bonds and thereafter the Bonds may be transferred, registered, and assigned on the Register only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar in lieu of the Bonds being transferred or exchanged at the designated office of the Paying Agent/Registrar, or sent by United States registered mail to the new registered owner at the registered owner's request, risk and expense. New Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer will be in denominations of $5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and at the same maturity or maturities as the Bond or Bonds surrendered for exchange or transfer.

Neither the City nor the Paying Agent/Registrar will be required to transfer or exchange any Bonds (i) during a period beginning at the close of business on any Record Date and ending with the next interest payment date or (ii) with respect to any Bonds or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, that such transfer and exchange restriction shall not apply to the uncalled balance of a Bond redeemed in part. See "THE BONDS – Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Replacement Bonds

If any Bond is mutilated, destroyed, stolen or lost, a new Bond of like kind and in the same amount as the Bond so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Bond, such new Bond will be delivered only upon surrender and cancellation of such mutilated Bond. In the case of any Bond issued in lieu of and in substitution for a Bond which has been destroyed, stolen, or lost, such new Bond will be delivered only (a) upon filing with the City and the Paying Agent/Registrar evidence satisfactory to establish to the City and the Paying Agent/Registrar that such Bond has been destroyed, stolen or lost and proof of the ownership thereof, and (b) upon furnishing the City and the Paying Agent/Registrar with bond or indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond must comply with such other reasonable regulations as the Paying Agent/Registrar may prescribe and pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS

General

UNDER THE ORDINANCE, THE BONDS, INCLUDING PRINCIPAL THEREOF AND INTEREST PAYABLE THEREON, CONSTITUTE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM, AND SECURED SOLELY BY A LIEN ON AND PLEDGE OF, THE PLEDGED REVENUES, AS PROVIDED IN THE ORDINANCE AND AS DESCRIBED IN THIS OFFICIAL STATEMENT. THE BONDS DO NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF TEXAS, AND, EXCEPT FOR THE PROPERTY TAX REVENUES AS LIMITED AND DEFINED HEREIN, THE HOLDERS THEREOF WILL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OUT OF ANY FUNDS RAISED OR TO BE RAISED BY AD VALOREM TAXATION. IN ADDITION, THE ORDINANCE DOES NOT CREATE A MORTGAGE OR DEED OF TRUST ON THE VENUE PROJECT OR ANY OTHER PROPERTY OF THE CITY.

Pledged Revenues

General. The "Pledged Revenues" consist of (i) a first and prior lien on and pledge of the Property Tax Revenues, (ii) a first and prior lien on and pledge of the Hotel Occupancy Tax Revenues, (iii) a first and prior lien on and pledge of the Admissions Tax Revenues, and (iv) such other money, income, revenues or other property as may be specifically included in such term in any City order supplemental to the Ordinance.

The Ordinance defines "Property Tax Revenues" to mean an amount not to exceed three percent (3%) of the revenues realized by the City from its imposition and collection of the Property Tax pursuant to the procedures set forth in the City Charter and the City's Code of Ordinances, all pursuant and subject to, and in accordance with, the Venue Project Ordinance and the City Charter.

The Ordinance defines "Hotel Occupancy Tax Revenues" to mean the revenues realized by the City from its imposition and collection of the two percent Hotel Occupancy Tax, to include penalties and interest for late payments and other payment or reporting-related noncompliance, but excluding amounts withheld for payment of collection costs owed to third parties and rebates, exceptions, and reimbursements as may from time to time be required by applicable law, all pursuant and subject to, and in accordance with, the Venue Project Ordinance.

The Ordinance defines "Admissions Tax Revenues" to mean the revenues realized by the City from its imposition and collection of the Admissions Tax at a rate not to exceed ten percent, to include penalties and interest for late payments and other payment or reporting-related noncompliance, but excluding amounts withheld for payment of collection costs owed to third parties and rebates, exceptions, and reimbursements as may from time to time be required by applicable law, all pursuant and subject to, and in accordance with, the Venue Project Ordinance.

The Hotel Occupancy Tax. Chapter 334 authorizes the City to impose the Hotel Occupancy Tax on persons who, under a lease, concession, permit, right of access, license, contract, or agreement, pay for the use or possession of a Hotel room within the boundaries of the City that costs $2.00 or more each day and is ordinarily used for sleeping. The Hotel Occupancy Tax equals 2.00% of the consideration paid to the Hotel for the right to use or possess the room. In the Ordinance, "Hotel" is defined to mean a building in which members of the public obtain sleeping accommodations for consideration, including a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, or bed and breakfast, and does not include (i) a hospital, sanitarium, or nursing home, (ii) a dormitory or other housing facility owned or leased and operated by an institution of higher education or a private or independent institution of higher education, as those terms are defined by Section 61.003, Education Code, as amended, and used by the institution for the purpose of providing sleeping accommodations for persons engaged in an educational program or activity at the institution, or (iii) an oilfield portable unit, as defined by Section 152.001, Texas Tax Code, as amended. The term "hotel" includes a short-term rental in which the rental of all or part of a residential property to a person who is not a permanent resident under Section 156.101, Texas Tax Code, as amended. The consideration paid for a Hotel room, for purposes of Chapter 334, includes the cost of such Hotel room only if the Hotel room is one ordinarily used for sleeping, and does not include the cost of any food served or personal services rendered to the occupant of such Hotel room not related to the cleaning and readying of such Hotel room for occupancy.

To be subject to the Hotel Occupancy Tax, the occupant's use, possession, or right to the use or possession of the sleeping room must be for a period of less than 30 consecutive days. In addition, (i) the United States, (ii) a governmental entity of the United States, (iii) an officer or employee of a governmental entity of the United States when traveling on or otherwise engaged in the course of official duties for such governmental entity and (iv) an officer or employee of the State, or any agency, institution, board or commission of the State (other than an Institution of Higher Education, as defined in Chapter 61, as amended, Texas Education Code) for whom a special provision or exception to the general rate of reimbursement under the General Appropriations Act applies and who is provided with photo identification verifying the identity and exempt status of such person are exempt from paying the Hotel Occupancy Tax. The State, or any agency, institution, board or commission of the State (other than an Institution of Higher Education) and an officer or employee of any such governmental entities for whom a special provision or exception to the general rate of reimbursement under the General Appropriations Act does not apply are entitled to a refund of the Hotel Occupancy paid thereby.

In addition to the 2.00% Hotel Occupancy Tax, a 7.00% occupancy tax is charged to all short-term (30 days or less) Hotel room rentals in the City costing $2.00 or more per day. The combined 15.00% occupancy tax is composed of the following: (i) a 6% hotel occupancy tax imposed by the State, (ii) a 7% hotel occupancy tax imposed by the City, and (iii) the 2.00% Hotel Occupancy Tax.

For a discussion of matters that may impact the City's prospective Hotel Occupancy Tax Revenues, see "INVESTOR CONSIDERATIONS, MARKET FACTORS AND THE VENUE TAXES".

The City's share of Collection Costs will be paid by it directly if a third party vendor is used and will not be deducted from the Hotel Occupancy Tax collected and paid to the City. Hotels and other eligible vendors of sleeping accommodations are required to collect the Hotel Occupancy Tax at the time room charges are received from patrons and remit such taxes to the Finance Department of the City. Upon receipt of Hotel Occupancy Taxes paid, the City will pay or cause to be paid to the City such collections within two full business days of receipt thereof. The City has been collecting the Hotel Occupancy Tax since its inception.

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Borger Historical Hotel Occupancies and Average Daily Rates/History — Table 2

Calendar Year	Room Count [(1)]	Increase/ (Decrease) (%)	Average Daily Room Rate ($) [(2)]	Hotel Occupancy (%) [(2)]	REVPAR ($) [(2)]
2011	414	N/A	$ 63.86	50.6%	$ 54.29
2012	429	3.6%	$ 66.58	64.0%	$ 59.33
2013	429	0.0%	$ 70.85	52.8%	$ 50.36
2014	429	0.0%	$ 77.98	69.7%	$ 54.29
2015	430	0.2%	$ 88.18	67.6%	$ 59.33
2016	430	0.0%	$ 87.92	57.3%	$ 50.36
2017	430	0.0%	$ 87.82	49.2%	$ 42.99
2018	430	0.0%	$ 84.25	57.7%	$ 48.67
2019	430	0.0%	$ 75.15	54.8%	$ 41.26
2020	430	0.0%	$ 74.26	47.0%	$ 34.88

(1) Source: Search Texas Tax - Room count represents number of rooms at each hotel.
(2) Source: Source Stratigies Inc. - Custom Stat Report January 2011 - December 2020

Hotel Occupancy Tax - All Hotels in the City by Annual Revenue (Calendar Year) — **Table 3A**

		Annual Taxable Rev. ($) [(1)]				
Hotel	**Location**	**2016**	**2017**	**2018**	**2019**	**2020**
Best Western	Borger, Texas	$ 1,151,873	$ 936,660	$ 1,042,759	$ 1,022,919	$ 707,404
Borger Ambassador Inn	Borger, Texas	$ 553,264	$ 426,285	$ 585,709	$ 562,751	$ 403,809
Borger Hampton Inn & Suites	Borger, Texas	$ 1,367,461	$ 1,202,930	$ 1,194,673	$ 998,867	$ 294,554
Budget Inn	Borger, Texas	$ 127,619	$ 75,009	$ 68,083	$ 110,080	$ 65,483
Deluxe Inn	Borger, Texas	$ 45,289	$ 30,256	$ 23,398	$ 15,183	$ 5,636
Heritage Inn	Borger, Texas	$ 485,705	$ 256,758	$ 193,521	$ 191,609	$ 64,769
Holiday Inn Express	Borger, Texas	$ 1,897,104	$ 1,716,690	$ 1,576,476	$ 1,828,640	$ 1,692,206
Royal Inn	Borger, Texas	$ 110,443	$ 75,783	$ 85,295	$ 115,479	$ 76,268
Villa Motel	Borger, Texas	$ 9,374	$ 7,221	$ 5,465	$ 2,610	$ 5,565

Represents 100% of total taxable HOT revenue in the City.
(1) Source: Search Texas Taxes

Hotel Occupancy Tax - All Hotels in the City by Number of Rooms (Calendar Year) — **Table 3B**

		Number of Rooms [(1)]				
Hotel	**Location**	**2016**	**2017**	**2018**	**2019**	**2020**
Best Western	Borger, Texas	60	60	60	60	60
Borger Ambassador Inn	Borger, Texas	52	52	52	52	52
Borger Hampton Inn & Suites	Borger, Texas	64	64	64	64	64
Budget Inn	Borger, Texas	26	26	26	26	26
Deluxe Inn	Borger, Texas	17	17	17	17	17
Heritage Inn	Borger, Texas	85	85	85	85	85
Holiday Inn Express	Borger, Texas	72	72	72	72	72
Royal Inn	Borger, Texas	38	38	38	38	38
Villa Motel	Borger, Texas	16	16	16	16	16

(1) Source: Search Texas Taxes

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Borger 10 Year Annual Hotel Room Sales **Table 4A**

Calendar Year	Total Hotel Room Sales ($)	Increase/Decrease (%)	Total Taxable Hotel Room Sales ($)	Increase/Decrease (%)
2011	$ 3,961,731		$ 3,593,046	
2012	$ 5,847,946	47.6%	$ 5,192,700	44.5%
2013	$ 4,795,696	-18.0%	$ 4,387,755	-15.5%
2014	$ 7,020,196	46.4%	$ 6,087,515	38.7%
2015	$ 7,783,648	10.9%	$ 6,405,080	5.2%
2016	$ 6,890,993	-11.5%	$ 5,748,132	-10.3%
2017	$ 5,338,977	-22.5%	$ 4,727,592	-17.8%
2018	$ 5,263,558	-1.4%	$ 4,775,379	1.0%
2019	$ 5,418,892	3.0%	$ 4,848,138	1.5%
2020	$ 3,609,430	-33.4%	$ 3,315,694	-31.6%

Source: Search Texas Tax

Borger 5 Year Total Monthly Hotel Room Sales **Table 4B**

Year	Jan. ($)	Feb. ($)	Mar. ($)	Apr. ($)	May ($)	June ($)	July ($)	Aug. ($)	Sep. ($)	Oct. ($)	Nov. ($)	Dec. ($)	Total ($)	Average Monthly ($)
2016	466,270	523,588	818,775	807,057	697,473	624,334	441,267	432,623	553,064	584,190	425,654	516,698	6,890,993	574,249
2017	483,301	458,026	899,377	427,676	439,593	454,899	343,626	395,274	345,229	395,791	385,413	310,772	5,338,977	444,915
2018	313,041	591,106	888,118	344,520	397,926	362,377	429,813	381,343	413,810	480,491	364,214	296,799	5,263,558	438,630
2019	306,477	379,653	517,181	525,967	525,008	448,172	445,979	427,676	600,852	689,301	308,832	243,794	5,418,892	451,574
2020	290,612	332,711	370,895	145,588	182,508	269,661	261,368	289,312	291,065	373,912	420,804	380,994	3,609,430	300,786
2021	456,836	472,997	716,562	-	-	-	-	-	-	-	-	-	1,646,395	548,798

Source: Search Texas Tax

Borger Hotel Occupancy Tax Actual Revenues by Fiscal Year (7%) (1) **Table 4C**

Year Ending September	Oct. ($)	Nov. ($)	Dec. ($)	Jan. ($)	Feb. ($)	Mar. ($)	Apr. ($)	May ($)	June ($)	July ($)	Aug. ($)	Sep. ($)	Total ($)	Average Monthly ($)
2016	43,341	29,602	36,694	31,199	27,139	30,509	46,642	48,137	39,702	34,071	27,507	27,432	421,974	35,165
2017	31,232	30,197	27,839	33,820	33,298	25,693	46,865	40,644	21,160	26,721	24,586	18,646	360,702	30,059
2018	26,704	18,673	23,009	20,274	21,557	37,186	50,061	27,928	23,651	22,153	21,365	19,033	311,594	25,966
2019	26,764	30,306	23,949	14,356	14,653	31,173	32,732	34,286	26,260	29,819	27,711	28,109	320,119	26,677
2020	39,123	40,135	20,121	16,112	19,506	21,954	21,687	11,081	14,390	17,438	16,135	17,901	255,582	21,298
2021	17,908	23,112	27,363	24,121	27,657	30,418	39,403	35,511	52,924	-	-	-	278,417	30,935

(1) 2016-2019 Audited; 2020 and 2021 Unaudited. Hotel Occupancy Tax commenced on July 1, 1982.

Borger Hotel Occupancy Tax Extrapolated Revenue Estimates by Fiscal Year (2%) (2) **Table 4D**

Year Ending September	Oct. ($)	Nov. ($)	Dec. ($)	Jan. ($)	Feb. ($)	Mar. ($)	Apr. ($)	May ($)	June ($)	July ($)	Aug. ($)	Sep. ($)	Total ($)	Average Monthly ($)
2016	12,383	8,458	10,484	8,914	7,754	8,717	13,326	13,753	11,344	9,735	7,859	7,838	120,564	10,047
2017	8,923	8,628	7,954	9,663	9,514	7,341	13,390	11,613	6,046	7,635	7,025	5,327	103,058	8,588
2018	7,630	5,335	6,574	5,793	6,159	10,625	14,303	7,980	6,757	6,329	6,104	5,438	89,027	7,419
2019	7,647	8,659	6,843	4,102	4,187	8,907	9,352	9,796	7,503	8,520	7,917	8,031	91,463	7,622
2020	11,178	11,467	5,749	4,603	5,573	6,273	6,196	3,166	4,111	4,982	4,610	5,114	73,023	6,085
2021	5,117	6,603	7,818	6,892	7,902	7,480	10,945	10,180	14,402	-	-	-	77,338	8,593

(2) Had the Venue Tax been in place this would have been the generated revenue. Revenue values extrapolated from actual revenues received. Hotel Occupancy Tax for the Venue Project commenced February 1, 2021. Starting in April of 2021 values shown above are actual receipts.

Venue Project Fund

The City has covenanted in the Ordinance that all Property Tax Revenues, Hotel Occupancy Tax Revenues, and Admissions Tax Revenues shall be deposited as received in the "Venue Project Fund", which Fund is to be kept separate and apart from all other funds of the City. Within the Venue Project Fund, the City has created special accounts, into which money deposited to the Venue Project Fund shall be further deposited, as specified in the Ordinance. These special accounts of the City within the Venue Project Fund include the following:

(1) Collection Account;
(2) Debt Service Account;
(3) Debt Service Reserve Account;
(4) Capital Improvement and Maintenance and Operations Account; and
(5) Construction Account.

See "Excerpts from the Ordinance" attached hereto as Appendix A for a more detailed description of the Venue Project Fund and the accounts created and held therein.

Collection Account. The City has established and caused to be created an account within the Venue Project Fund known as the "Collection Account" (the "Collection Account"), which account will be maintained with a Depository of the City. The City has covenanted to deposit, as received, Hotel Occupancy Tax Revenues and Admissions Tax Revenues to the credit of the Collection Account, all of which money has been pledged and appropriated by the City to the extent required to accomplish the hereinafter-described uses. Additionally, to the extent funds on deposit in the Debt Service Account or other source available to the City at the due date thereof (whether by reason of maturity or prior redemption) as of the end of the current Fiscal Year are not sufficient for the payment of principal or of interest on the Bonds for the next succeeding Fiscal Year, Property Tax Revenues shall be deposited to the Collection Account, in an amount equal to such deficiency for further transfer as set forth in the Ordinance. The City shall, after the Closing Date (unless another time is specified herein or in the Ordinance), transfer or cause to be transferred all amounts on deposit in the Collection Account on the 25th day of each month (or on the last business day prior thereto if such day is a Saturday, Sunday, or Legal Holiday), to the following accounts and in the following order of priority:

(1) *First*, to the Debt Service Account (1) an amount equal to $1/6^{th}$ of the total interest payable on the Bonds on the next occurring Interest Payment Date, and (2) an amount equal to $1/12^{th}$ of the principal of the Bonds coming due on the next principal payment date;

(2) *Second*, to the Debt Service Reserve Account, the amount, if any, specified in the Ordinance with respect to periodic payments to be made to such account (see "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS – Debt Service Reserve Account");

(3) *Third*, the amount necessary for payment of debt service on any subordinate lien obligations, or to maintain the requisite deposit to any debt service reserve established and maintained with respect thereto, in accordance with the provisions of the applicable order that authorizes the issuance of such obligations; and

(4) *Fourth*, all amounts remaining to the Capital Improvement and Maintenance Operations Account.

Debt Service Account. The City has established and caused to be created an account within the Venue Project Fund known as the "Debt Service Account" (the "Debt Service Account"), which account is kept and maintained by the Paying Agent/Registrar. Under the Ordinance, the Paying Agent/Registrar is authorized and directed by the City to make withdrawals from the Debt Service Account sufficient to pay the principal of and interest on the Bonds as the same become due and payable in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar by such time that interest on and principal of the Bonds is due and payable.

If, after payment of a scheduled payment obligation of the City for which funds have been deposited to the Debt Service Account in accordance with the transfers set forth above under "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS – Venue Project Fund – Collection Account", there remains excess proceeds in the Debt Service Account that were otherwise designated to satisfy such obligation, then such excess proceeds will be released from the Debt Service Account and further deposited in accordance with the provisions of, and in the order of priority specified above under "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS – Venue Project Fund – Collection Account".

Debt Service Reserve Account. The City has established and caused to be created an account within the Venue Project Fund known as the "Debt Service Reserve Account" (the "Debt Service Reserve Account"), which account is kept and maintained by the Paying Agent/Registrar. Money on deposit in the Debt Service Reserve Account shall be used solely and exclusively for the purposes of making transfers to the Debt Service Account in the event the money in such account is not sufficient to make transfers to the Paying Agent/Registrar on the dates and in the full amounts required by the Ordinance. The Debt Service Reserve Account will maintain a reserve for the payment of the Bonds equal to $__________ (the "Debt Service Reserve Requirements") as determined in accordance with the applicable provisions of the Ordinance. Income derived from the investment of amounts held for the credit of the Debt Service Reserve Account shall be retained therein. All funds deposited into the Debt Service Reserve Account shall be used solely for the payment of the principal of and interest on the Bonds, when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last Stated Maturity or Stated Maturities of or interest on the Bonds.

When and for so long as the cash and investments in the Debt Service Reserve Account equal the Debt Service Reserve Requirements, no deposits need be made to the credit of the Debt Service Reserve Account; but, if and when the Debt Service Reserve Account at any time contains less than the Debt Service Reserve Requirements, the City has in the Ordinance covenanted and agreed that it shall cure the deficiency in the Debt Service Reserve Requirements by depositing to the credit of the Debt Service Reserve Account, on a monthly basis commencing in the month immediately succeeding the month in which the subject deficiency is identified and from the Pledged Revenues, at the times, and in the order of priority specified in the Ordinance (and as described above under "SECURITY AND SOURCES OF PAYMENT; FUNDS

AND ACCOUNTS – Venue Project Fund – Collection Account"), an amount equal to not less than 1/60th of the amount of such deficiency. The City shall continue to make such monthly deposits until the balance of the Debt Service Reserve Account equals the Debt Service Reserve Requirements. The City has further covenanted and agreed that, subject only to the prior payments specified to be made in the Ordinance (and as primarily described above under "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS – Venue Project Fund – Collection Account"), the Pledged Revenues shall be applied and appropriated and used to establish and maintain the Debt Service Reserve Requirements and to cure any deficiency in such amounts as required by the terms of the Ordinance.

During such time as the City maintains on deposit in the Debt Service Reserve Account the Debt Service Reserve Requirements, the City may, at its option, withdraw all surplus funds in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirements and deposit such surplus in the Debt Service Account. In the event a Surety Policy or Policies (defined below) issued to satisfy all or a part of the Debt Service Reserve Requirements causes the amount then on deposit in the Debt Service Reserve Account to exceed the Debt Service Reserve Requirements, the City may transfer such excess amount to any fund or account established for the payment of or security for the Bonds (including any escrow established for the final payment of any such obligations pursuant to the provisions of applicable Texas law), or be used for any lawful purposes; provided, however, to the extent such excess amount represents Bond proceeds, then such amount will be transferred to the Debt Service Account or be otherwise used in accordance with applicable Texas law.

The City may acquire a debt service reserve surety policy or policies ("Surety Policy or Policies" or "Surety Policy") issued by an authorized provider under applicable Texas law in amounts equal to all or part of the Debt Service Reserve Requirements in lieu of depositing cash into the Debt Service Reserve Account. The City has reserved the right to use Pledged Revenues (subject to the prior payments specified to be made in the Ordinance and as primarily described above under "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS – Venue Project Fund – Collection Account") to fund the payment of (1) periodic premiums on a Surety Policy or Policies as a part of the payment of the Venue Project operating expenses, and (2) any repayment obligation incurred by the City (including interest) to the issuer of a Surety Policy or Policies, the payment of which will result in the reinstatement of such Surety Policy or Policies, prior to making payments required to be made to the Debt Service Reserve Account pursuant to the applicable provisions of the Ordinance to restore the balance in such account to the Debt Service Reserve Requirements.

In connection with the issuance of the Bonds, the City anticipates procuring a Surety Policy or Policies to satisfy the Debt Service Reserve Requirements attributable to the Bonds.

Capital Improvement and Maintenance and Operations Account. The City has established and caused to be created an account within the Venue Project Fund known as the "Capital Improvement and Maintenance and Operations Account" (the "Capital Improvement and Maintenance and Operations Account"), which account will be maintained with a Depository of the City.

Funds held in the Capital Improvement and Maintenance and Operations Account shall be properly spent, at the City's option, for (a) payment of debt service on any bonds payable from all or part of the Venue Taxes, after first applying any funds on deposit in the debt service account relating to such series of bonds, (b) replenishing the Debt Service Requirement (or any Surety Policy or Policies acquired in the satisfaction of such requirement), (c) payment of any additional costs of completing the Venue Project, (d) costs of renovating, improving, or updating the Venue Project, (e) payment of Maintenance and Operations Expenses, and/or (f) any other lawful purpose. Such use of money on deposit in the Capital Improvement and Maintenance and Operations Account will be accomplished by, with respect to (a) in the preceding sentence, transfer of the amount of money determined by a Designated Financial Officer to the Debt Service Account; with respect to (b) in the preceding sentence, transfer of the amount of money determined by a Designated Financial Officer to the Debt Service Reserve Account; with respect to (c) in the preceding sentence, transfer of the amount of money determined by a Designated Financial Officer to the Construction Account; and with respect to (d) through (f) in the preceding sentence, payment of any such expenses, in the amount and in the manner determined by a Designated Financial Officer, directly from the Capital Improvement and Maintenance and Operations Account.

Until expended, money on deposit in the Capital Improvement and Maintenance and Operations Account will be invested pursuant to the Ordinance and all interest and income derived from deposits and investments in such account will be credited to, and any losses debited to, such account.

Construction Account. The City has established and caused to be created an account within the Venue Project Fund known as the "Construction Account" (the "Construction Account"), which account will be maintained by the City at a Depository. On the Closing Date, the City shall, to the credit of the Construction Account, deposit Bond proceeds in the amount of $______.

Money on deposit in the Construction Account will be used solely for the purpose of paying the costs of the Venue Project. Money on deposit in the Construction Account will be disbursed as determined by a Designated Financial Officer.

Until expended, money on deposit in the Construction Account shall be invested pursuant to the Ordinance. See "Excerpts from the Ordinance" attached hereto as Appendix A. Any net income, interest or gain received and collected from investments in the Construction Account may be used and applied by the City for the purpose of paying for costs and expenses incurred in connection with the development, financing, or construction of the Venue Project, as permitted by Chapter 334.

Upon final completion of the portion of the Venue Project for which the Bonds were issued (as determined by a Designated Financial Officer), and after payment of all amounts payable by the City therefor, any funds remaining in the Construction Account will be transferred to the Debt Service Account and any amounts required to be transferred to the Debt Service Account from Pledged Revenues (as set forth above under "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS – Venue Project Fund – Collection Account") shall be offset to the extent of funds transferred to such account from the Construction Account.

INVESTOR CONSIDERATIONS, MARKET FACTORS AND THE VENUE TAXES

Each prospective investor in the Bonds should read this Official Statement in its entirety, including the Appendices hereto. The following is a discussion of certain investment considerations that should be considered by any prospective purchaser of the Bonds prior to an investment in the Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with the other parts of this Official Statement, including the Appendices hereto. Particular attention should be given to the considerations described below which, among others, could affect the payment of debt service on the Bonds, and which could also affect the marketability of the Bonds to an extent that cannot be determined.

Hotel-Industry Related Risks

The City has limited ability to respond to changes in economic or other conditions with respect to the hotel market, thereby limiting its ability to impact the generation of revenues from the Hotel Occupancy Tax toward payment of the debt service on the Bonds.

The hotel market is subject to all operating risks common to the hotel and motel industry. These risks include: changes in general economic conditions; the level of demand for rooms and related services; cyclical over-building in the hotel industry; competition from other hotels, motels, and recreational properties located outside the City and otherwise not contributing to the hotel occupancy tax collections within the City; the recurring need for renovations and refurbishment of hotel facilities; restrictive changes in zoning and similar land use laws and regulations or in health, safety, and environmental laws, rules and regulations; the inability to secure property and liability insurance to fully project against all losses or to obtain such insurance at reasonable rates; and changes in travel patterns.

The destination and marketing industry in the City, surrounding areas, and the State is highly competitive. Counties and cities within the State, including the City, vie for the market share of the tourism industry, as the State's other large markets are continually making advances to attract visitors and large conventions. As the destination and marketing industry is evolving, some competitors have substantially greater marketing and financial resources to promote their respective destination when compared to the City.

Changes in local economic conditions will directly affect demand for the hotel market and thus availability of hotel occupancy taxes. Such operations may be affected by casualty losses at hotels in the City or trends in hotel or tourism industries, which are further affected by political and economic events beyond the control of the City, such as business conditions affecting the area's largest employers.

Venue Taxes

Commencement and continuation of the collection of Venue Taxes is subject to a variety of factors, none of which are within the City's control. Collections can be adversely affected by changes in economic activity and conditions within the City and general geographic area. Many factors may affect the City's collection of the Venue Taxes, including fuel prices, appraised values, the City's continuation as an industrial base, general costs of living, employment levels of employers within and outside the City, individual's discretionary spending on items that would produce revenues from the Venue Taxes, and the overall impact of the economy to individuals that would otherwise be contributing to the Venue Taxes base. The City is unable to predict what impact economic conditions such as the foregoing may have on its continued collection of revenues received from the Venue Taxes.

Venue Project Construction Risks

Construction Risks. As with all construction projects, the development and construction of the Venue Project is susceptible to various risks and uncertainties, such as: inflation of construction costs, general construction risks, including cost overruns especially in a pandemic economy, change orders and plan or specification modifications, shortages of equipment, materials or skilled labor, labor disputes, unforeseen environmental, engineering or geological problems, work stoppages, fire and other natural disasters, construction scheduling problems and weather interferences; changes and concessions required by governmental or regulatory authorities; delays in obtaining, or inability to obtain, all licenses, permits, and authorizations required to complete and/or operate the Venue Project; and disruption of existing operations and facilities. Such events could result in delayed marketing, substantial completion, and/or occupancy (and the receipt of a certificate evidencing the right to occupy) of the Venue Project and, though the credit for the Bonds is not directly tied to Venue Project completion or performance, failure of the former or underperformance of the latter could nevertheless impact collection of Pledged Revenues and/or public sentiment and support of the Venue Project. In addition, substantial completion and occupancy of the Venue Project may be extended by reason of changes authorized by the City, delays due to unforeseen acts or neglect of the Venue Project, or by independent contractors retained in the construction thereof.

Availability of Funds. The cost of any project may vary significantly from initial expectations, and there may be a limited amount of capital resources to fund cost overruns. If cost overruns occur and cannot be financed on a timely basis, the completion of the Venue Project may be delayed until adequate funding is available. No assurance can be given that the costs of completing the Venue Project will not exceed the amount of available funds or that completion of the Venue Project will not be delayed beyond the current expected opening day.

Events of Force Majeure. Construction and operation of the Venue Project are at risk from events of force majeure, such as earthquakes, tornados, hurricanes or other natural disasters, epidemics, blockades, rebellions, war, riots, acts of sabotage, terrorism or civil commotion, and spills of hazardous materials, among other events. Construction or operations may also be stopped or delayed from non-casualty events such as discovery of archaeological artifacts, changes in law, delays in obtaining or renewing required permits, revocation of such permits and approvals and litigation, among other things.

Environmental Risks. There are potential risks relating to environmental liability associated with the ownership of any property. If hazardous substances are found to be located on or under the Venue Project property, such property may be held liable for costs and other liabilities relating to such hazardous substances.

Regulatory and Legislative Environment

Under various federal, State and local environmental laws, orders, and regulations, a current or previous owner or operator of real property may become liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Other federal, State and local laws exist, such as the Americans with Disabilities Act, which may require modifications to buildings or restrict certain renovations by requiring access to such buildings by disabled persons. The costs of compliance with such laws may be substantial and may materially affect the Venue Project and its operations and performance.

Non-Recourse Obligations

The Bonds are special obligations of the City payable solely from the Pledged Revenues. See "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS". EXCEPT FOR THE PROPERTY TAX REVENUES AS LIMITED AND DEFINED HEREIN, NONE OF THE STATE OF TEXAS, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION, OR AGENCY OF THE STATE OF TEXAS, EITHER INDIVIDUALLY OR COLLECTIVELY, HAS PLEDGED OR SHALL PLEDGE OTHER REVENUES AS SECURITY FOR THE BONDS FROM FUNDS RAISED OR TO BE RAISED BY AD VALOREM TAXATION, AND NEITHER THE FAITH AND CREDIT, NOR THE TAXING POWER, OF THE STATE OF TEXAS, THE CITY, OR ANY POLITICAL CORPORATION, SUBDIVISION, OR AGENCY OF THE STATE OF TEXAS, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY), OR THE INTEREST ON THE BONDS. NO INTEREST IN THE VENUE PROJECT HAS BEEN GRANTED AS SECURITY FOR THE PAYMENT OF THE BONDS.

BOND INSURANCE

BOND INSURANCE POLICY

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

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

ASSURED GUARANTY MUNICIPAL CORP.

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

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

Current Financial Strength Ratings

On July 8, 2021, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

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

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

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

Capitalization of AGM

At March 31, 2021:

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

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

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

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

Merger of MAC into AGM

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

Incorporation of Certain Documents by Reference

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

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

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

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

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

Miscellaneous Matters

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

BOND INSURANCE GENERAL RISKS

General

The City has obtained a commitment from the Insurer to provide the Policy relating to the Bonds. The following risk factors related to municipal bond insurance policies generally apply.

In the event of default of the scheduled payment of principal of or interest on the Bonds when all or a portion thereof becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the City which is recovered by the City from the Beneficial Owners as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the City (unless the Insurer chooses to pay such amounts at an earlier date). Payment of principal of and interest on the Bonds is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist (see "THE BONDS - Default and Remedies").

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable from the Pledged Revenues, as further described under "THE BONDS – Security for Payment". In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Bonds.

The enhanced long-term rating on the Bonds will be dependent on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer, whether or not subject to the Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Bonds. See the disclosure described in "RATINGS" herein.

The obligations of the Insurer under the Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the City, the Underwriter, or the City's Financial Advisor have made an independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given.

Claims-Paying Ability and Financial Strength of Municipal Bond Insurers

Moody's Investor Services, Inc., S&P Global Ratings and Fitch Ratings, Inc. (the "Rating Agencies") have, in recent years, downgraded and/or placed on negative watch the claims-paying and financial strength of many providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers are possible. In addition, recent events in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims-paying ability of such bond insurers, including any bond insurer of the Bonds. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal and interest on the Bonds and the claims-paying ability of any such bond insurer, particularly over the life of the investment.

RATINGS

The City did not apply for an underlying rating on the Bonds. S&P has assigned its municipal bond rating of "AA" (stable outlook) to the Bonds based upon the Insurance Policy issued by AGM. The ratings of the Bonds by S&P reflects only the view of such company at the time the rating is given, and the City makes no representations as to the appropriateness of the rating. There is no assurance that the rating will continue for any given period of time, or that the rating will not be revised downward or withdrawn entirely by S&P, if in the sole and absolute judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Norton Rose Fulbright US LLP, Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes (1) is excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), of the owners thereof pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The statute, regulations, rulings, and court decisions on which such opinion is based are subject to change. A form of Bond Counsel's opinion appears in Appendix D hereto.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the City made in a certificate of even date with the initial delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Ordinance by the City subsequent to the issuance of the Bonds. The Ordinance contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities and equipment financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any arbitrage "profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. 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 its ultimate outcome.

Tax Changes

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Ancillary Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions (see "Qualified Tax-Exempt Obligations" below), property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust (FASIT), individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Tax Accounting Treatment of Discount Bonds

The initial public offering price to be paid for certain Bonds may be less than the amount payable on such Bonds at maturity (the "Discount Bonds"). An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. A portion of such original issue discount, allocable to the holding period of a Discount Bond by the initial purchaser, will be treated as interest for federal income tax purposes, excludable from gross income on the same terms and conditions as those for other interest on the Bonds. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during his taxable year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions (see "Qualified Tax-Exempt Obligations" below), life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such 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 Discount Bond was held) is includable in gross income.

In the event of the sale or other taxable disposition of a Discount Bond prior to maturity, the amount realized by such owner in excess of the basis of such 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 Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

Tax Accounting Treatment of Premium Bonds

The initial public offering price to be paid for certain Bonds may be greater than the stated redemption price on such Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and its stated redemption price at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium with respect to the Premium Bonds. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Qualified Tax-Exempt Obligations

Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code generally disallows 100% of any deduction for interest expense which is incurred by "financial institutions" described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. Section 265(b) of the Code provides an exception to this interest disallowance rule for interest expense allocable to tax-exempt obligations (other than private activity Bonds that are not qualified 501(c)(3) bonds) which are designated by an issuer as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) obligations and other than certain refunding bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed $10,000,000.

The City will designate the Bonds as "qualified tax-exempt obligations" and will certify its expectation that the above-described $10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Bonds will not be subject to the 100% disallowance of interest expense allocable to interest on the Bonds under section 265(b) of the Code. However, the deduction for interest expense incurred by a financial institution which is allocable to the interest on the Bonds will be reduced by 20% pursuant to section 291 of the Code.

LEGAL MATTERS

The City will furnish the Underwriter with a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of the State to the effect that the "Initial Bond" relating to the Bonds is a valid and legally binding, special obligation of the City, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Bond Counsel, to the effect that the Bonds, issued in compliance with the provisions of the Ordinance, are valid and legally binding obligations of the City and, subject to the qualifications set forth herein under "TAX MATTERS," the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, published rulings, regulations, and court decisions. Though it represents the Financial Advisor and the Underwriter from time to time in matters unrelated to the Bonds, Bond Counsel has been engaged by and only represents the City in connection with the issuance of the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under the caption "PLAN OF FINANCE – Authorization and Purposes", "THE BONDS" (except under the subcaptions "Book-Entry-Only System", "Defaults and Remedies", "Payment Record" and "Delivery", as to which no opinion is expressed), "REGISTRATION, TRANSFER & EXCHANGE", "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS" (except with respect to any tables or other numerical or statistical information appearing thereunder, as to which no opinion is expressed), "TAX MATTERS", "LEGAL MATTERS" (except for the last sentence of the first paragraph thereof, as to which no opinion is expressed), "EXCERPTS FROM THE ORDINANCE" (attached hereto as Exhibit A),"CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance with Prior Undertakings", as to which no opinion is expressed), and "OTHER INFORMATION-Registration and Qualification of Bonds for sale", "OTHER PERTINENT INFORMATION – Legal Investments and Eligibility to Secure Public Funds in Texas" in the Official Statement and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the provisions of the Ordinance. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Bonds will also be furnished (see "No Litigation" herein). The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of Bonds are contingent on the sale and delivery of the Bonds. The legal opinion of Bond Counsel will accompany the Bonds deposited with DTC or will be printed on the definitive Bonds of each series of Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain matters will be passed upon for the Underwriter by their counsel McCall, Parkhurst & Horton L.L.P., San Antonio, Texas, whose legal 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.

INVESTMENT POLICIES

The City invests its investable funds in investments authorized by State law and in accordance with investment policies approved and reviewed annually by the City Council of the City. Both State law and the City's investment policies are subject to change.

Legal Investments

Under State law and subject to certain limitations, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations issued and secured by a federal agency or instrumentality of the United States; (4) other obligations unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities; (5) "A" or better rated obligations of states, agencies, counties, cities, and other political subdivisions of any state; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) federally insured interest-bearing bank deposits, brokered pools of such deposits, and collateralized certificates of deposit and share certificates; (8) fully collateralized United States government securities repurchase agreements; (9) one-year or shorter securities lending agreements secured by obligations described in clauses (1) through (7) above or (11) through (14) below or an irrevocable letter of credit issued by an "A" or better rated state or national bank; (10) 270-day or shorter bankers' acceptances, if the short-term obligations of the accepting bank or its holding company are rated at least "A-1" or "P-1"; (11) commercial paper rated at least "A-1" or "P-1"; (12) SEC-registered no-load money market mutual funds that are subject to SEC Rule 2a-7; (13) SEC-registered no-load mutual funds that have an average weighted maturity of less than two years; (14) "AAA" or "AAAm"-rated investment pools that invest solely in investments described above; and (15) in the case of bond proceeds, guaranteed investment contracts that are secured by obligations described in clauses (1) through (7) above and, except for debt service funds and reserves, have a term of 5 years or less.

The City may not, however, invest in (1) interest only obligations, or non-interest bearing principal obligations, stripped from mortgage-backed securities; (2) collateralized mortgage obligations that have a remaining term that exceeds 10 years; and (3) collateralized mortgage obligations that bear interest at an index rate that adjusts opposite to the changes in a market index. In addition, the City may not invest more than 15% of its monthly average fund balance (excluding bond proceeds and debt service funds and reserves) in mutual funds described in clause (13) above or make an investment in any mutual fund that exceeds 10% of the fund's total assets.

Except as stated above or inconsistent with its investment policy, the City may invest in obligations of any duration without regard to their credit rating, if any. If an obligation ceases to qualify as an eligible investment after it has been purchased, the City is not required to liquidate the investment unless it no longer carries a required rating, in which case the City is required to take prudent measures to liquidate the investment that are consistent with its investment policy.

Current Investments (1) — TABLE 5

As of December 31, 2020, the City held investments as follows:

Investment Type	Amount	Percentage
Local Checking Accounts	$ 1,751,899	11.27%
Texpool Accounts	13,794,557	88.73%
Total	$15,546,456	100.00%

As of such date, the market value of such investments (as determined by the Issuer by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book value. No funds of the Issuer are invested in derivative securities, *i.e.*, securities whose rate of return is determined by reference to some other instrument, index, or commodity.

(1) Unaudited.

NO-LITIGATION

On the date of delivery of the Bonds to the Underwriter, the City will execute and deliver to the Underwriter a certificate to the effect that no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Bonds or which would adversely affect the provisions made for their payment or security, or in any manner questioning the validity of the Bonds.

In the opinion of certain officials of the City, the City is not a party to any litigation or other proceedings pending or, to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the City, would have a material adverse effect on the financial condition of the City.

CONTINUING DISCLOSURE OF INFORMATION

The City in the Ordinance has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available to the public free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org, as further described below under "Availability of Information".

Annual Reports

Under Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the Issuer must keep its fiscal records in accordance with generally accepted accounting principles, must have its financial accounts and records audited by a certified public accountant and must file each audit report within 180 days after the close of the Issuer's fiscal year. The Issuer's fiscal records and audit reports are available for public inspection during the regular business hours, and the Issuer is required to provide a copy of the Issuer's audit reports to any bondholder or other member of the public within a reasonable time on request upon payment of charges prescribed by the Texas General Services Commission.

The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the City beginning in the year 2021, financial information and operating data with respect to the City of the general type included in the body of this Official Statement under Tables 1 through 5 in Appendix A (the "Annual Financial Information"), and (2) within six months after the end of each fiscal year of the City beginning in the year 2021, the audited financial statements of the City (the "Audited Financial Statements"). If the audit of such financial statements is not complete within six (6) months after any such fiscal year end, then the City shall file unaudited financial statements by the required time and audited financial statements for the applicable fiscal year, when and if the audit report becomes available. Any financial statements to be provided shall be prepared in accordance with the accounting principles described in APPENDIX D to this Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and shall be in substantially the form included in this Official Statement as APPENDIX D.

The Issuer may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements for the Issuer, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not available by that time, the Issuer will provide by the required time unaudited financial statements for the applicable fiscal year to the MSRB with the financial information and operating data and will file the annual audit report when and if the same becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Issuer's annual financial statements or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

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

Notice of Certain Events

The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (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, as the case may be; (7) modifications to rights of holders 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 City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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 paying agent/registrar or the change of name of a paying agent/registrar, if material (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such Financial Obligation of the City, any of which reflect financial difficulties. In the Ordinance, the

City adopted policies and procedures to ensure timely compliance of its continuing disclosure undertakings. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports." Neither the Bonds nor the Ordinance make provision for credit enhancement (although the City has obtained a commitment from the Insurer to provide the Policy relating to the Bonds or liquidity enhancement.

For these purposes, (a) any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

Availability of Information

All information and documentation filing required to be made by the City in accordance with its undertaking made for the Bonds will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided, without charge to the general public, by the MSRB.

Limitations and Amendments

The City has agreed to update information and to provide notices of certain specified events only as described above. The City 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 City 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 City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its agreement or from any statement made pursuant to its agreement, although holders or Beneficial Owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City 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 type of operations of the City, 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 and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders or beneficial owners of the Bonds. If the City amends its agreement, it must include with the next financial information and operating data 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 information and data provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent any Underwriters from lawfully purchasing or selling Bonds, respectively, in the primary offering of the Bonds.

Compliance with Prior Agreements

During the past five years, the City has complied in all material respects with its previous continuing disclosure agreements made by it in accordance with the Rule.

OTHER PERTINENT INFORMATION

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from the City's records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will 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 documents for further information. Reference is made to original documents in all respects.

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

Registration and Qualification of Bonds for Sale

The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities act of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

It is the obligation of the Underwriter to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires. The City has agreed to cooperate, at the Underwriter's written request and sole expense, in registering or qualifying the Bonds or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the City shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Securities Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency (see "RATINGS" herein). In addition, various provisions of the Texas Finance Code, as amended, provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with at least $1 million of capital, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

The City has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The City has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

Financial Advisor

SAMCO Capital Markets, Inc. (the "Financial Advisor) is employed as the Financial Advisor to the City in connection with the issuance of the Bonds. 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, in its capacity as Financial Advisor to the City, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the bond documentation with respect to the federal income tax status of the Bonds.

In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the City for the investment of Bond proceeds or other funds of the City upon the request of the City.

The Financial Advisor 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, their responsibilities to the City 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.

Underwriting

The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price equal to the initial offering prices, as shown on the page ii hereof, less an underwriting discount of $24,385.00 and accrued interest on the Bonds in the amount of $4,521.46.

The Underwriter's obligations are subject to certain conditions precedent. The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering price, and such public prices may be changed from time to time, by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter do not guarantee the accuracy or completeness of such information.

FHN Financial Capital Markets is a division of First Horizon Bank and First Horizon Advisors, Inc., is a wholly owned subsidiary of First Horizon Bank. FHN Financial Capital Markets has entered into a distribution agreement with First Horizon Advisors, Inc., for the distribution of the offered Bonds at the original issue prices. Such arrangement generally provides that FHN Financial Capital Markets will share a portion of its underwriting compensation or selling concession with First Horizon Advisors, Inc.

Financial Statements

Appendix D to this Official Statement contains the City's annual financial report for the fiscal year ended September 30, 2019. These financial statements have been audited by Anderson Hill, LLP, Lubbock, Texas, independent certified public accountants.

Use of Information in the Official Statement

No 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 City. This Official Statement does not constitute an offer to sell or 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.

Forward Looking Statements and Investor Considerations

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. It is important to note that the City's actual results could differ materially from those in such forward-looking statements.

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

In considering the matters set forth in this Official Statement, prospective investors should carefully review all information included herein (particularly, the descriptions regarding the City's historical and prospective projected collection of Venue Tax revenue appearing under the caption "INVESTOR CONSIDERATIONS, MARKET FACTORS AND THE VENUE TAXES" and the lien on and pledge of such revenues as described under "SECURITY AND SOURCES OF PAYMENT; FUNDS AND ACCOUNTS") to identify any investment considerations. Potential investors should be thoroughly familiar with this entire Official Statement and the appendices hereto, and should have accessed whatever additional financial and other information any such investor may deem necessary, prior to making an investment decision with respect to the Bonds.

Certification of the Official Statement

At the time of payment for and delivery of the Bonds, the Underwriter will be furnished a certificate, executed by proper officers, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the description and statements of or pertaining to the City contained in its Official Statement, and any addenda, supplement or amendment thereto, on the date of such Official Statement, and on the date of the initial delivery of the Bonds, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they are made, not misleading; (c) insofar as the description and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and that the City has no reason to believe that they are untrue in any material respect; (d) authorized representatives of the City received and reviewed copies of the Official Statement for the purpose of confirming that the information therein pertaining to the City is accurate and complete; and (e) there has been no material adverse change in the financial condition of the City since September 30, 2019, the date of the last audited financial statements of the City.

Authorization of the Official Statement

No 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 City.

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This Official Statement was approved by the City Council of the City for distribution in accordance with provisions of the United States Securities and Exchange Commission's Rule codified at 17 C.F.R. Section 240.15c-12, as amended.

BORGER, TEXAS

/s/ Karen Felker
Mayor
City of Borger, Texas

ATTEST:

/s/ Stella Sauls
City Secretary
City of Borger, Texas

APPENDIX A

Certain Financial Information Regarding the City’s 3% Pledge of Property Tax

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ASSESSED VALUATION **TABLE 1**

2020 Actual Market Value of Taxable Property (100% of Actual)		$ 612,306,629
Less Exemptions:		
Local, Optional Over-65 and/or Disabled Homestead Exemptions	$ 7,193,660	
Disabled and Deceased Veterans' Exemptions	2,490,940	
Productivity Value Loss [(a)]	2,064,510	
Freeport Exemption	4,582,026	
10% Cap Loss	136,930	
Totally Exempt Property	92,873,889	109,341,955
2020 Net Taxable Assessed Valuation		$ 502,964,674
Less Freeze Taxable Value	$ 74,782,050	
2020 Freeze Adjusted Taxable Assessed Valuation		$ 428,182,624

Source: Hutchinson County Appraisal District

CLASSIFICATION OF ASSESSED VALUATION **TABLE 2**

Category	2020		2019	% of Total	2018	% of Total
Real, Residential, Single-Family	$ 308,802,750	50.43%	$ 306,787,240	51.11%	$ 299,234,550	51.12%
Real, Residential, Multi-Family	6,855,050	1.12%	6,743,210	1.12%	6,185,510	1.06%
Real, Vacant Lots/Tracts	3,608,900	0.59%	3,497,270	0.58%	3,507,310	0.60%
Real, Acreage (Land Only)	210,720	0.03%	249,430	0.04%	249,140	0.04%
Farm & Ranch Improvements	371,940	0.06%	393,490	0.07%	396,000	0.07%
Real, Commercial	90,068,840	14.71%	88,121,080	14.68%	89,156,340	15.23%
Real, Industrial	6,785,950	1.11%	5,704,160	0.95%	4,732,340	0.81%
Real, Minerals (Oil and Gas)	719,693	0.12%	1,209,220	0.20%	923,270	0.16%
Real & Tangible, Personal Utilities	22,452,550	3.67%	21,411,684	3.57%	20,281,770	3.46%
Tangible Personal, Business / Commercial	43,613,589	7.12%	44,393,604	7.40%	42,565,590	7.27%
Tangible Personal, Industrial	30,300,278	4.95%	20,978,200	3.49%	18,613,710	3.18%
Tangible Personal, Mobil Homes	304,200	0.05%	297,680	0.05%	306,310	0.05%
Real Property, Inventory (Residential/Special)	5,228,100	0.85%	5,878,710	0.98%	4,979,600	0.85%
Totally Exempt Property	92,984,069	15.19%	94,581,773	15.76%	94,257,660	16.10%
Total Market Value	$ 612,306,629	100.00%	$ 600,246,751	100.00%	$ 585,389,100	100.00%
Less Exemptions and Losses:						
Local, Optional Over-65 and/or Disabled Homestead	$ 7,193,660		$ 7,081,490		$ 7,050,110	
Disabled and Deceased Veterans'	2,490,940		2,435,170		2,187,250	
Productivity Value / Production Loss	2,064,510		1,847,540		1,875,250	
Freeport Property	4,582,026		341,790		96,680	
10% Cap Loss	136,930		323,660		214,590	
Totally / Partially Exempt Property	92,873,889		94,641,543		94,407,520	
Total Exemptions	$ 109,341,955		$ 106,671,193		$ 105,831,400	
Net Taxable Assessed Valuation	$ 502,964,674		$ 493,575,558		$ 479,557,700	
Total Freeze Taxable Value	74,782,050		73,390,250		71,000,910	
Freeze Adjusted Taxable Assessed Valuation	$ 428,182,624		$ 420,185,308		$ 408,556,790	

Source: Hutchinson County Appraisal District

Note: Assessed Valuations shown here are Certified Valuations and may change during the year due to various supplements and protests. Valuations on a later date or in other tables of this Official Statement may not match those shown on this table.

PRINCIPAL TAXPAYERS 2020 **TABLE 3**

Name	Type of Business	2020 Net Taxable Assessed Valuation	% of Total 2020 Net Taxable Assessed Valuation
Southwestern Public Service Co.	Electric Utility	$ 11,842,000	2.77%
Walmart Real Estate Business Trust	Real Estate	7,380,760	1.72%
Walmart Stores Texas LLC	Retail Sales	6,733,030	1.57%
RS12 Hotels LLC	Hotel / Motel	4,994,550	1.17%
Amarillo National Bank	Financial Institution	4,921,780	1.15%
Panhandle Northern Railroad Co.	Railroad	4,722,160	1.10%
P & B Senior Living Group LLC	Senior Living Facility	4,340,230	1.01%
Fjord Processing	Oil & Gas Services	3,840,615	0.90%
United Rentals	Rental Sales	3,754,457	0.88%
Golden Plains	Hospital	3,110,490	0.73%
Total		$ 55,640,072	12.99%

Based on a 2020 Freeze Adjusted Taxable Assessed Valuation of $ 428,182,624

Source: Texas Comptroller of Public Accounts

PROPERTY TAX RATES AND COLLECTIONS [(a)] **TABLE 4**

Tax Year	Freeze Adjusted Taxable Assessed Valuation	Tax Rate	Adjusted Tax Levy	% Collections Current	% Collections Total	Year Ended
2011	$ 348,602,430	$ 0.73585	$ 3,079,496	94.30%	96.84%	9/30/2012
2012	358,721,460	0.78000	3,298,393	95.48%	98.91%	9/30/2013
2013	379,315,640	0.84207	3,468,425	96.36%	99.46%	9/30/2014
2014	398,867,470	0.86000	3,768,196	96.81%	100.06%	9/30/2015
2015	402,010,800	0.86000	3,878,753	96.36%	99.12%	9/30/2016
2016	425,564,540	0.86349	4,088,279	96.84%	99.94%	9/30/2017
2017	412,900,110	0.86349	4,046,263	95.76%	97.95%	9/30/2018
2018	408,556,790	0.86349	4,033,286	95.65%	99.12%	9/30/2019
2019	420,210,330	0.86349	3,628,474	95.65%	98.05%	9/30/2020
2020	428,182,624	0.83763	3,586,582	81.43% [(b)]	82.72% [(b)]	9/30/2021

(a) See "AD VALOREM TAX PROCEDURES - Levy and Collection of Taxes" in the body of the Official Statement for a complete discussion of the City's provisions.

(b) Information is as of February 19, 2021.

Note: Assessed Valuations may change during the year due to various supplements and protests. Valuations in other tables of this Official Statement may not match those shown in this table.

Source: Texas Comptroller of Public Accounts, Hutchinson County Appraisal District, Texas Municipal Report published by the Municipal Advisory Council of Texas and the Issuer's Audited Financial Statements and Supplemental Information.

GENERAL FUND COMBINED STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES **TABLE 5**

	Fiscal Year Ended September 30				
REVENUES	**2019**	**2018**	**2017**	**2016**	**2015**
Taxes:					
Property	$ 3,047,993	$ 3,004,741	$ 2,770,949	$ 2,828,020	$ 2,631,812
Sales	3,277,059	3,107,365	3,272,210	3,327,951	3,305,272
Franchise	834,424	925,750	913,539	888,919	1,002,294
Occupancy	-	-	-	-	-
Other	44,788	20,918	11,196	10,661	22,228
Payments in Lieu of Property Taxes	3,192,038	-	-	-	-
Charges for Services	2,871,468	5,704,789	5,731,104	4,608,999	4,358,926
Penalties, Fines and Forfeitures	203,022	189,516	228,719	196,868	427,084
Licenses, Fees, and Permits	53,696	42,486	27,503	23,591	40,866
Intergovernmental Grants and Subsidies	204,609	200,250	198,000	268,188	176,435
Other Grants and Contributions	3,600	2,050	7,005	2,725	9,353
Investment Income	119,058	63,080	25,653	18,258	10,819
Other Income	74,060	44,961	58,050	51,725	91,775
Total Revenues	$ 13,925,815	$ 13,305,906	$ 13,243,928	$ 12,225,905	$ 12,076,864
EXPENDITURES					
Current					
General Government:					
Administration	$ 526,585	$ 433,900	$ 323,830	$ 281,972	$ 299,438
Information Systems	92,109	78,922	78,825	62,003	59,171
Fleet Services	261,500	235,823	253,541	224,182	271,435
Engineering	112,838	97,541	114,831	102,897	107,868
Facilities Maintenance	232,165	278,587	329,176	451,185	343,473
Planning & Zoning	597,509	486,835	467,027	470,639	459,609
Public Safety:					
Animal Control	234,416	234,777	226,882	188,130	219,658
Code Enforcement	280,117	225,845	284,208	267,977	254,687
Central Dispatch	647,557	592,357	574,079	550,164	604,262
Police	3,134,488	2,979,751	2,787,143	2,578,318	2,626,140
Fire and Fire Prevention	2,713,439	2,514,229	2,651,516	2,318,292	2,154,583
Emergency Management	108,450	201,458	190,418	255,061	196,875
Municipal Court	568,956	520,405	515,413	503,192	491,460
Public Works:					
General	223,155	241,056	144,969	173,314	263,013
Streets	793,241	785,769	828,860	947,576	771,723
Sanitation	1,834,282	604,759	642,986	629,659	537,246
Solid Waste Transfer Station	-	1,185,006	1,338,066	1,245,733	1,212,190
Recycling	5,787	909	3,778	2,961	-
Culture and Recreation:					
Youth, Community and Recreation Centers	610,400	524,908	528,158	497,517	553,558
Parks	718,427	724,053	781,670	696,555	619,244
Economic Development and Tourism	-	-	-	-	-
Capital Outlay					
Capital Purchases	108,916	1,208	117,009	144,931	78,783
Debt Service					
Principal and Interest	-	-	-	-	-
Administrative Fees	-	-	-	-	-
Total Expenditures	$ 13,804,337	$ 12,948,098	$ 13,182,385	$ 12,592,258	$ 12,124,416
Excess (Deficit) of Revenues Over Expenditures	$ 121,478	$ 357,808	$ 61,543	$ (366,353)	$ (47,552)
OTHER FINANCING SOURCES (USES)					
Transfers Out	$ (771,096)	$ (756,815)	$ (816,127)	$ (572,224)	$ (572,594)
Transfers In	625,000	450,000	868,500	1,250,000	850,000
Total Other Financing Sources (Uses)	$ (146,096)	$ (306,815)	$ 52,373	$ 677,776	$ 277,406
Net Change in Fund Balance	$ (24,618)	$ 50,993	$ 113,916	$ 311,423	$ 229,854
Fund Balance, Beginning of Year	$ 3,749,141	$ 3,698,148 [2]	$ 3,584,229	$ 3,272,806 [2]	$ 3,042,954
Fund Balance, End of Year	$ 3,724,523	$ 3,749,141	$ 3,698,145 [2]	$ 3,584,229	$ 3,272,808 [2]

Source: The Issuer's General Purpose Audited Financial Statements for Fiscal Year Ending September 30, 2019.

[1] *The estimated General Fund Balance for Fiscal Year Ending September 30, 2020 (Unaudited) is $3,831,760.*

[2] *Difference attributable to rounding.*

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APPENDIX B

Excerpts from the Ordinance

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APPENDIX B

Selected Provisions of the Ordinance

The following constitutes a summary of certain selected provisions of the Ordinance. This summary should be qualified by reference to other provisions of the Ordinance referred to elsewhere in this Official Statement, and all references and summaries pertaining to the Ordinance in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Ordinance, a copy of which may be obtained from the City.

SECTION 1: Definitions. For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires, (a) the terms defined in this Section have the meanings assigned to them in this Section, certain terms defined in other sections of and the preamble to this Ordinance have the meanings assigned to them in such sections and preamble, and all such terms include the plural as well as the singular; (b) all references in this Ordinance to designated "Sections," "Schedules," "Exhibits," and other subdivisions are to the designated Sections, Schedules, Exhibits, and other subdivisions of this Ordinance as originally adopted; and (c) the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. *2020 Election* has the meaning stated in the preamble of this Ordinance.

B. *Act* means Chapter 334.

C. *Additional Combined Venue Tax Bonds* means bonds, notes, warrants, certificates of obligations or other Debt hereinafter issued by the City that are payable, in whole or in part, from and equally and ratably secured by Pledged Revenues.

D. *Admissions* will have the definition ascribed to it in a future amendment to the Venue Project Ordinance and will be in compliance with and subject to the limitations provided in Chapter 334.

E. *Admission Tax* has the meaning stated in the preamble of this Ordinance.

F. *Admissions Tax Revenues* means the revenues realized by the City from its imposition and collection of the Admissions Tax, to include penalties and interest for late payments and other payment or reporting-related noncompliance, but excluding amounts withheld for payment of collection costs owed to third parties and rebates, exceptions, and reimbursements as may from time to time be required by applicable law, all pursuant and subject to, and in accordance with, the Venue Project Ordinance.

G. *Bonds* means the "City of Borger, Texas Venue Project Revenue Bonds (Combined Venue Tax), Series 2021", issued pursuant to this Ordinance in the original principal amount of $2,040,000.

H. *Book-Entry Only Bond* means any Bond registered in the name of the Securities Depository or its nominee.

I. *Business Day* for the Bonds or portions thereof means any day other than (1) a Saturday or a Sunday, (2) a legal holiday or the equivalent on which banking institutions generally are authorized or required to close in the Place of Payment or in the city in which is located the corporate trust office of the Paying Agent/Registrar, or (3) a day on which the New York Stock Exchange is closed.

J. *Capital Improvement and Maintenance and Operations Account* has the meaning stated in Section 19.E hereof.

K. *Chapter 334* has the meaning stated in the preamble of this Ordinance.

L. *City* or *Issuer* means City of Borger, Texas, and, where appropriate, the City Council.

M. *City Charter* means the City's Home Rule Charter.

N. *Closing Date* means the date of physical delivery of the Initial Bond against payment in full by the Purchasers.

O. *Code* means the Internal Revenue Code of 1986, as amended and in force and effect on the Closing Date.

P. *Collection Account* has the meaning stated in Section 19.B hereof.

Q. *Construction Account* has the meaning stated in Section 19.F hereof.

R. *Dated Date* has the meaning stated in Section 8 hereof.

S. *Debt* means all indebtedness of the Issuer payable from any revenues pledged hereunder incurred or assumed by the Issuer for borrowed money and all other financing obligations of the Issuer payable from such revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet. For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. This specifically includes any Bonds defeased pursuant to Section 18 hereof. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the Issuer in prior Fiscal Years.

T. *Debt Service Account* has the meaning stated in Section 19.C hereof.

U. *Debt Service Requirements* means as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Issuer as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on or other payments due under such obligation, assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest or other payment obligations calculated by assuming (1) that such non-fixed interest rate for every future 12-month period is equal to the rate of interest reported in the most recently published edition of The Bond Buyer (or its successor) at the time of calculation as the "Revenue Bond Index" or, if such Revenue Bond Index is no longer being maintained by The Bond Buyer (or its successor) at the time of calculation, such interest rate shall be assumed to be 80% of the most recently reported yield, as of the time of calculation, at which United States Treasury obligations of like maturity have been sold and (2) that, in the case of bonds not subject to fixed scheduled mandatory sinking fund redemptions, that the principal of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds or in the manner permitted under Section 1371.057(c), as amended, Texas Government Code, as the same relates to interim or non-permanent indebtedness, and in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity according to a fixed schedule, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto (in each case notwithstanding any contingent obligation to redeem bonds more rapidly). For the term of any interest rate hedge agreement entered into in connection with any such obligations, Debt Service Requirements shall be computed by netting the amounts payable to the Issuer under such hedge agreement from the amounts payable by the Issuer under such hedge agreement and such obligations.

V. *Debt Service Reserve Account* has the meaning stated in Section 19.D hereof.

W. *Debt Service Reserve Requirement* has the meaning stated in Section 19.D hereof.

X. *Depository* means one or more official depository banks of the Issuer.

Y. *Designated Financial Officer* means the Mayor, the City Manager, the Director of Finance, or such other financial or accounting official of the Issuer so designated by the City Council.

Z. *DTC* has the meaning stated in Section 6 hereof.

AA. *DTC Participant* has the meaning stated in Section 6 hereof.

BB. *DTC System* has the meaning stated in Section 6 hereof.

CC. *Existing Excess Revenues* means revenues received from the imposition of the (a) Hotel Occupancy Tax from its date of implementation (occurring on or around February 1, 2021) and (b) Property Tax Revenues derived from the City's 2020 ad valorem tax levy and deposited into the Venue Project Fund prior to the Closing Date.

DD. *Fiscal Year* means the twelve-month accounting period used by the Issuer in connection with the operation of the Issuer, currently ending on September 30 of each year, which may be any 12 consecutive month period established by the Issuer, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

EE. *Government Obligations* shall mean (a) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by 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 issuer 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; (c) [subject to the prior written consent of the Insurer] 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 issuer 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; or (d) [subject to the prior written consent of the Insurer] any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Bonds.

FF. *Holder* of any Bond means the Person in whose name such Bond is registered in the Security Register.

GG. *Hotel* means, as defined in the Venue Project Ordinance, a building in which members of the public obtain sleeping accommodations for Consideration, including a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, or bed and breakfast, and does not include (i) a hospital, sanitarium, or nursing home, (ii) a dormitory or other housing facility owned or leased and operated by an institution of higher education or a private or independent institution of higher education, as those terms are defined by Section 61.003, Education Code, as amended, and used by the institution for the purpose of providing sleeping accommodations for persons engaged in an educational program or activity at the institution, or (iii) an oilfield portable unit, as defined by Section 152.001, Texas Tax Code, as amended. The term "hotel" includes a short-term rental in which the rental of all or part of a residential property to a Person who is not a permanent resident under Section 156.101, Texas Tax Code, as amended.

HH. *Hotel Occupancy Tax* has the meaning stated in the preamble of this Ordinance.

II. *Hotel Occupancy Tax Revenues* means the revenues realized by the City from its imposition and collection of the Hotel Occupancy Tax, to include penalties and interest for late payments and other payment or reporting-related noncompliance, but excluding amounts withheld for payment of collection costs owed to third parties and rebates, exceptions, and reimbursements as may from time to time be required by applicable law, all pursuant and subject to, and in accordance with, the Venue Project Ordinance.

JJ. *Indirect Participant* has the meaning stated in Section 6 hereof.

KK. *Initial Bond* has the meaning stated in Section 8 hereof.

LL. *Insurance Policy* means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

MM. *Insurer* means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

NN. *Interest Payment Date* for any Bond or portion thereof means the date specified in such Bond as a fixed date on which interest on such Bond or portion is due and payable, being (initially) February 1, 2022 and, thereafter, August 1 and February 1 of each year while the Bonds are Outstanding.

OO. *Legal Holiday* means a day on which a Paying Agent/Registrar for the Bonds is authorized by law or executive order to close.

PP. *Maintenance and Operating Expenses* means the expenses of operation and maintenance of the Venue Project, *including* all salaries, labor, materials, repairs and extensions (including capital repairs and extensions) necessary to maintain and operate the Venue Project.

QQ. *Opinion of Counsel* means a written opinion of counsel of nationally recognized standing in the field of municipal bond law.

RR. *Ordinance* means this ordinance adopted by the City Council.

SS. *Outstanding* means, when used in this Ordinance with respect to Bonds, as of the date of determination, all Bonds issued and delivered under this Ordinance, except:

(1) *Cancelled Bonds*: those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) *Defeased Bonds*: those Bonds for which payment has been duly provided by the Issuer in accordance with the provisions of Section 18 hereof by the irrevocable deposit with the Paying Agent/Registrar, or an authorized escrow agent, of money or Government Obligations, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to Stated Maturity; *provided* that, if such Bonds are to be redeemed, notice of redemption thereof shall have been duly given pursuant to this Ordinance or irrevocably provided to be given to the satisfaction of the Paying Agent/Registrar, or waived; and

(3) *Replaced Bonds*: those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 11.

TT. *Paying Agent/Registrar* means the financial institution specified in Section 4 hereof or its herein permitted successors and assigns.

UU. *Person* means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

VV. *Place of Payment* for Bonds means the city in which is located the office designated by the Paying Agent/Registrar at which principal of the Bonds shall be paid at Stated Maturity, initially being Austin, Texas.

WW. *Pledged Revenues* means (a) a first and prior lien on and pledge of the Property Tax Revenues, (b) a first and prior lien on and pledge of the Hotel Occupancy Tax Revenues, (c) a first and prior lien on and pledge of the Admissions Tax Revenues, and (d) such other money, income, revenues or other property as may be specifically included in such term in any City ordinance supplemental to this Ordinance.

XX. *Predecessor Bond* has the meaning stated in Section 7 hereof.

YY. *Property* means, as defined in the City Charter and the City's Code of Ordinances, all property, real, personal and mixed, that is subject to taxation, and assessed by the City.

ZZ. *Property Tax* has the meaning stated in the preamble of this Ordinance.

AAA. *Property Tax Revenues* means an amount not to exceed three percent (3%) of the revenues realized by the City from its imposition and collection of the Property Tax pursuant to the procedures set forth in the City Charter and the City's Code of Ordinances, all pursuant and subject to, and in accordance with, the Venue Project Ordinance and the City Charter.

BBB. *Purchasers* means the initial purchasers of the Bonds named in Section 12 hereof.

CCC. *Qualified Surety Bond Provider* means an insurance company which is authorized by Texas law to provide a debt service reserve surety policy or similar financial product, such as the Surety Bond, to satisfy all or any part of the Debt Service Requirements.

DDD. *Rating Service* means each nationally recognized securities rating service which at the time of determination has a credit rating assigned to the Bonds, initially being S&P.

EEE. *Record Date* means the date for determining the person to whom is owed interest on any Bond, being the fifteenth day of the calendar month preceding the month in which occurs the subject Interest Payment Date.

FFF. *Representation Letter* has the meaning stated in Section 6 hereof.

GGG. *S&P* means S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

HHH. *Securities Depository* means The Depository Trust Company or any successor Person appointed by ordinance of the City Council to act as Holder of the Bonds, directly or through a nominee, to maintain a system for recording and transferring beneficial interests in such Bonds and distributing payments thereon and notices in respect thereof.

III. *Security Register* has the meaning stated in Section 4 hereof.

JJJ. *Special Payment Date* has the meaning stated in Section 4 hereof.

KKK. *Special Record Date* has the meaning stated in Section 4 hereof.

LLL. *Stated Maturity* has the meaning stated in Section 3 hereof.

MMM. *Subordinate Pledged Revenues* means a subordinate lien on and pledge of one or any combination of the Pledged Revenues, which lien on and pledge of such revenues is immediately junior and inferior to the lien thereon and pledge thereof included in and a part of one or any combination of the Pledged Revenues.

NNN. *Surety Bond* means the surety bond(s), debt service reserve insurance policy, or similar policies, acquired by the Issuer from a Qualified Surety Bond Provider and deposited into the Debt Service Reserve Account of the Venue Project Fund at Closing to satisfy the Debt Service Requirements relating to the Bonds, subject to the limitations set forth in the Surety Bond and the limitations of the Qualified Surety Bond Provider.

OOO. *Surety Policy* means an Insurance Agreement between the Issuer and Qualified Surety Bond Provider pursuant to which the Issuer reimburses the Qualified Surety Bond Provider amounts drawn under the Surety Bond.

PPP. *Venue Project* has the meaning stated in the preamble of this Ordinance, to be undertaken by the City pursuant to authority granted under Chapter 334 and the results of the 2020 Election.

QQQ. *Venue Project Fund* has the meaning stated in Section 19.A hereof.

RRR. *Venue Project Ordinance* has the meaning stated in the preamble of this Ordinance.

SECTION 17: <u>Security</u>.

A. *Pledge of Pledged Revenues*. Payment of the principal of and interest on the Bonds shall be equally and ratably secured by and payable solely from a first and prior lien on and pledge of the Pledged Revenues and such other money, income, and revenues held in one or more of the accounts of the Venue Project Fund which may be specifically pledged to the Bonds as set forth in Section 19 hereof. In connection therewith, the Issuer hereby grants a first and prior lien on and pledge of the Pledged Revenues for such purpose. Except as hereinbefore stated, the Bonds are not secured by or payable from a mortgage or deed of trust on any of the Issuer's properties, whether real, personal, or mixed.

B. *Perfection.* Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of Pledged Revenues granted by the Issuer under Subsection A of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while any Bonds are outstanding and unpaid such that the pledge of Pledged Revenues granted by the Issuer as security therefor is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of such Bonds the perfection of the security interest in the applicable pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in the described pledge to occur.

SECTION 19: <u>Venue Project Fund and Accounts</u>.

A. *The Venue Project Fund*. In the Venue Project Ordinance, the Issuer authorized the creation of a City fund known as the "Venue Project Fund" (the *Venue Project Fund*), and is a fund of the type described and required by Section 334.042, as amended, of Chapter 334. The Issuer has since caused the establishment of and now maintains the Venue Project Fund and to such Fund has deposited all receipts of Property Tax Revenues, Hotel Occupancy Tax Revenues since its imposition, and intends to deposit all receipts of the Admissions Tax Revenues upon its imposition.

The Venue Project Ordinance provides details regarding the creation and establishment of the Venue Project Fund, as well as the creation of certain accounts and the disposition and use of revenues from time to time deposited therein. The Venue Project Ordinance also specifies that characteristics of the Venue Project Fund and such specified method of deposited revenue may be amended by subsequent Issuer action, including through an ordinance such as this Ordinance. In reliance on this authority, the Issuer hereby amends Venue Project Ordinance with respect to the treatment of the Venue Project Fund, including the establishment of accounts therein and disposition of deposits thereto, so that the provisions of this Section 19 concerning the Venue Project Fund shall control, notwithstanding any conflict between the provisions of the Venue Project Ordinance and this Ordinance.

The Venue Project Fund shall be kept separate and apart from all other funds of the Issuer. Revenues received from time to time by the Paying Agent/Registrar for deposit to the various accounts of the Venue Project Fund, as further described below, shall be immediately deposited therein, with further transfers therefrom to be made by the Paying Agent/Registrar at the times and in the manner herein specified.

The Issuer hereby confirms the prior creation and affirms its covenant to maintain the Venue Project Fund. The Venue Project Fund shall be kept separate and apart from all other funds of the Issuer. Within the Venue Project Fund, the Issuer hereby authorizes the creation, and orders to be created, the following special accounts within the Venue Project Fund (which accounts shall be administered in the manner specified in this Section):

(1) Collection Account;

(2) Debt Service Account;

(3) Debt Service Reserve Account;

(4) Capital Improvement and Maintenance and Operations Account; and

(5) Construction Account.

The Issuer hereby covenants to the Holders of the Bonds that all Property Tax Revenues, Hotel Occupancy Tax Revenues, and all Admissions Tax Revenues, as well as any other revenues hereafter identified as additional security for the Bonds, shall be deposited upon receipt to the various accounts in the manner, and for further distribution in the manner and amounts and at the times, as hereinafter described.

As of the date of initial delivery of the Bonds, the City holds Existing Excess Revenues in the amount of $98,435.42. Simultaneously with the issuance of the Bonds, the City shall transfer the Existing Excess Revenues to the Collection Account.

B. *The Collection Account.* The City hereby establishes and causes to be created an account within the Venue Project Fund to be known as the "Collection Account" (the *Collection Account*). On the Closing Date, the City will transfer Existing Excess Revenues to the credit of the Collection Account, in the amount specified in Section 19.A. Hotel Occupancy Tax Revenues and Admissions Tax Revenues, respectively, shall be deposited, as received, to the Venue Project Fund, to the credit of the Collection Account.

To the extent funds on deposit in the Debt Service Account or other source available to the City at the due date thereof (whether by reason of maturity or prior redemption) as of the end of the current Fiscal Year are not sufficient for the payment of principal or of interest on the Bonds for the next succeeding Fiscal Year, Property Tax Revenues shall be deposited to the Collection Account, in an amount equal to such deficiency for further transfer as set forth herein.

The City shall, after the Closing Date (unless another time is specified herein), transfer (or cause to be transferred) all amounts on deposit in the Collection Account of the Venue Project Fund on the 25th day of each month (or on the last business day prior thereto if such day is a Saturday, Sunday, or Legal Holiday), to the following accounts and in the following order of priority:

(1) First, (i) to the Debt Service Account (1) equal monthly installments of the total interest payable on the Bonds on the next occurring Interest Payment Date, and (2) equal monthly installments of the principal of the Bonds coming due on the next principal payment date; provided, however, the equal monthly installments of principal and interest shall commence on February 1, 2022; provided, further however, that for the Interest Payment Date occurring on February 1, 2022, the City shall deposit with the Paying Agent/Registrar an amount sufficient to pay interest amounts at such time due on the last Business Day prior to this Interest Payment Date.

(2) Second, to the Debt Service Reserve Account the amount, if any, specified in Section 19.D hereof.

(3) Third, the amount, if necessary, for payment of debt service on any subordinate lien obligations, or to maintain the requisite deposit to any debt service reserve established and maintained with respect thereto, in accordance with the provisions of the applicable ordinance which authorizes the issuance of such subordinate lien obligations;

(4) Fourth, all remaining amounts to the Capital Improvement and Maintenance and Operation Account.

This account shall be maintained by the City at a Depository.

C. *The Debt Service Account.* The City hereby establishes and causes to be created an account within the Venue Project Fund to be known as the "Debt Service Account" (the *Debt*

Service Account), for the purposes of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Bonds.

The Debt Service Account shall be kept and maintained by the Paying Agent/Registrar. The Paying Agent/Registrar is hereby authorized and directed to make withdrawals from the Debt Service Account sufficient to pay the principal of and interest on the Bonds as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Debt Service Account, an amount sufficient to pay the amount of principal and/or interest stated to mature on the Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Bonds.

If, after the payment of a scheduled payment obligation of the Issuer for which funds have been deposited to the Debt Service Account in accordance with Section 19.B hereof, there remains excess proceeds in the Debt Service Account that were otherwise designated to satisfy such paid obligation, then such excess proceeds shall be released from the Debt Service Account and further deposited in accordance with the provisions of, and in the order of priority herein specified, in Section 19.B hereof.

This account shall be maintained by the City with the Paying Agent/Registrar.

D. *The Debt Service Reserve Account.* The City hereby establishes and causes to be created an account within the Venue Project Fund to be known as the "Debt Service Reserve Account" (the *Debt Service Reserve Account*), for the purposes of making transfers to the Debt Service Account in the event the money in such account is not sufficient to make transfers therefrom to the Paying Agent/Registrar on the dates and in the full amounts required by this Ordinance.

The Debt Service Reserve Account will maintain a reserve for the payment of the Bonds equal to $111,475.00 (the *Debt Service Reserve Requirement*). At closing, a portion of the Bond proceeds or cash contribution in the amount of the Debt Service Reserve Requirement shall be deposited into the Debt Service Reserve Account in accordance with Section 20 herein. Income derived from the investment of amounts held for the credit of the Debt Service Reserve Account shall be retained therein. All funds deposited into the Debt Service Reserve Account shall be used solely for the payment of the principal of and interest on the Bonds, when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last Stated Maturity or Stated Maturities of or interest on the Bonds.

The City may acquire a debt service reserve surety policy or policies issued by an authorized provider under applicable Texas law in amounts equal to all or part of the Debt Service Reserve Requirement for the Bonds in lieu of depositing cash into the Debt Service Reserve Account. The City reserves the right to use Pledged Revenues, at the order of priority specified in Section 19.B(2) hereof, to fund the payment of (1) periodic premiums on the such a debt service reserve surety policy as a part of the payment of the Venue Project operating expenses, and (2) any repayment obligation incurred by the City (including interest) to the provider thereof, the payment of which will result in the reinstatement of such debt service reserve surety policy, prior to making payments required to be made to the Debt Service Reserve Account pursuant to the provisions of Section 19.B of this Ordinance to restore the balance in such fund to the Debt Service Reserve Requirement.

When and for so long as the cash and investments in Debt Service Reserve Account equal the Debt Service Reserve Requirement, no deposits need be made to the credit of the Debt Service Reserve Account; but, if and when the Debt Service Reserve Account at any time contains less than the Debt Service Reserve Requirement, the Issuer covenants and agrees that it shall cure the deficiency in the Debt Service Reserve Requirement by depositing to the credit of the Debt Service Reserve Account, on a monthly basis commencing in the month immediately succeeding the month in which the subject deficiency is identified and from the Pledged Revenues, at the times, and in the order of priority specified in Section 19.B(2), an amount equal to not less than $1/60^{th}$ of the amount of such deficiency. The Issuer shall continue to make such monthly deposits until the balance of the Debt Service Reserve Account equals the Debt Service Reserve Requirement. The Issuer further covenants and agrees that, subject only to the prior payments to be made to the Debt Service Account, the Pledged Revenues shall be applied and appropriated and used to establish and maintain the Debt Service Reserve Requirement and to cure any deficiency in such amounts as required by the terms of this Ordinance.

During such time as the Issuer maintains on deposit in the Debt Service Reserve Account the Debt Service Reserve Requirement, the Issuer may, at its option, withdraw all surplus funds in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement and deposit such surplus in the Debt Service Account. In the event a debt service reserve surety policy issued to satisfy all or a part of the Debt Service Reserve Requirement the amount then on deposit in the Debt Service Reserve Account causes the balance of such account to exceed the Debt Service Reserve Requirement, the City may transfer such excess amount to any fund or account established for the payment of or security for the Bonds (including any escrow established for the final payment of any such obligations pursuant to the provisions of applicable Texas law), or be used for any lawful purposes; provided, however, to the extent that such excess amount represents Bond proceeds, then such amount must be transferred to the Debt Service Account or be otherwise used in accordance with then-applicable Texas law.

This account shall be maintained by the City with the Paying Agent/Registrar.

E. *Capital Improvement and Maintenance and Operations Account.* The City hereby establishes and causes to be created an account within the Venue Project Fund to be known as the "Capital Improvement and Maintenance and Operations Account" (the *Capital Improvement and Maintenance and Operations Account*). The Issuer shall transfer funds to the Capital Improvement and Maintenance and Operations Account, if at all, pursuant to Section 19.B(4) hereof.

The funds in the Capital Improvement and Maintenance and Operations Account shall be properly spent, at the Issuer's option, for (a) payment of debt service on the Bonds, (b) replenishing the Debt Service Requirements (or any debt service reserve surety policy acquired in the satisfaction of such requirement), (c) payment of additional Venue Project costs, (d) costs of renovating, improving, or updating the Venue Project, (e) payment of Maintenance and Operations Expenses, and/or (f) any other lawful purpose; Such use of money on deposit in the Capital Improvement and Maintenance and Operations Account shall be accomplished by, with respect to

(a) in the preceding sentence, transfer of the amount of money determined by a Designated Financial Officer to the Debt Service Account; with respect to (b) in the preceding sentence, transfer of the amount of money determined by a Designated Financial Officer to the Debt Service Reserve Account; with respect to (c) in the preceding sentence, transfer of the amount of money determined by a Designated Financial Officer to the Construction Account; and with respect to (d) through (f) in the preceding sentence, payment of any such expense, in the amount and in the manner determined by a Designated Financial Officer, directly from the Capital Improvement and Maintenance and Operations Account.

Until expended, money on deposit in the Capital Improvement and Maintenance and Operation Account shall be invested pursuant to this Ordinance and all interest and income derived from deposits and investments in this account shall be credited to, and any losses debited to, this account.

This account shall be maintained by the City at a Depository.

F. <u>*Construction Account*</u>. The Issuer hereby establishes and causes to be created an account within the Venue Project Fund to be known as the "2021 Venue Project Construction Fund" (the *Construction Fund*). On the Closing Date, the Issuer shall deposit Bond proceeds to the credit of the Construction Fund in the amounts and in the manner specified in Section 20 hereof.

Money on deposit in the Construction Account shall be used solely for the purpose of paying the costs of the Venue Project and, to the extent of unavailability of funds in the Debt Service Account or Debt Service Reserve Account or other sources available to the City at the due date thereof (whether by reason of maturity or prior redemption), payment of principal of or interest on the Bonds. Money on deposit in the Construction Account shall be disbursed as determined by a Designated Financial Officer; provided, however, that in the event that money held in the Construction Account is used to pay debt service on the Bonds in the manner heretofore described, such use shall be accomplished by the transfer of the requisite amount of funds from the Construction Account to the Debt Service Account.

Until expended, money on deposit in the Construction Account shall be invested pursuant to this Ordinance. The net income, interest or gain received and collected from investments in the Construction Account may be used and applied by the Issuer for the purpose of paying for costs and expenses incurred in connection with the development, financing, or construction of the Venue Project as permitted by Chapter 334.

Upon final completion of the portion of the Venue Project for which the Bonds were issued (as determined by a Designated Financial Officer), and after payment of all amounts payable by the Issuer therefor, any funds remaining in the Construction Account shall be transferred to the Debt Service Account and any amounts required by Section 19.B to be transferred to the Debt Service Account shall be offset to the extent of funds transferred to such account from the Construction Account.

As additional security for the Bonds, amounts from time to time held in the Construction Account are hereby pledged as supplemental security for the Bonds.

This account shall be maintained by the City at a Depository.

SECTION 21: Deficiencies. If on any occasion there shall not be sufficient Pledged Revenues hereunder to make the transfers required (after taking into account other sources herein identified as required for any such purpose), then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues and such payments shall be in addition to the amounts required to be paid into these accounts during such month or months.

SECTION 22: Payment of Bonds. The Designated Financial Officer or other authorized Issuer official shall cause to be transferred from funds on deposit in the Debt Service Account (upon deposit of funds as described in this Ordinance including any transfer from the Debt Service Reserve Fund) (1) while any of the Bonds are Outstanding, to the Paying Agent/Registrar, amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Bonds as such installment accrues or matures, such transfer to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the Business Day next preceding the date a debt service payment is due on the Bonds, and (2) to the Persons entitled to receive such payments, all amounts due and owing from the Issuer under the Paying Agent/Registrar Agreement.

SECTION 23: Investments. Funds held in any Fund or account created, established, or maintained pursuant to this Ordinance may, at the option of the Issuer, be placed in time deposits, certificates of deposit, guaranteed investment contracts or similar contractual agreements, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, or any other law, and secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund or account will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within 45 days of the close of each Fiscal Year. All interest and income derived from deposits and investments in any debt service account or debt service reserve account immediately shall be credited to, and any losses therefrom debited to, the applicable debt service fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

SECTION 24: Additional Obligations.

A. Except as otherwise provided in Section 26.C hereof, so long as the Bonds remain Outstanding, the City shall not issue Additional Combined Venue Tax Bonds.

B. At the City's option, obligations payable from and equally secured by a junior and inferior lien on and pledge of all or part of any City revenues theretofore pledged as security for the repayment of any Bonds, which includes Subordinate Lien Pledged Revenues, to remain Outstanding after the issuance of the contemplated junior lien obligations may be issued for any lawful purpose. Such junior lien obligations shall have the characteristics and be subject to the terms and conditions as determined by the City at the time of their issuance.

* * * *

APPENDIX C

General Information Regarding City of Borger, Texas and Hutchinson County, Texas

**GENERAL INFORMATION REGARDING THE CITY OF BORGER
AND HUTCHINSON COUNTY, TEXAS**

This APPENDIX contains a brief discussion of certain economic and demographic characteristics of the area in which the City is located. Information in this Appendix has been obtained from the sources noted. They are believed to be reliable, although no investigation has been made to verify the accuracy of such information. Additionally, the following information is qualified by the impact from the effects of the COVID-19 pandemic. Within the body of the Official Statement, under caption "INTRODUCTION – Infectious Disease Outbreak – COVID-19," the City described this event, as well as its initial impact and possible effects. The City has not attempted to completely update the descriptions included in this APPENDIX C to account for the effects of COVID-19, as the specific results of this event are evolving and their extent unknown; rather, the City makes reference to the aforementioned section of the body of the Official Statement and directs the reader thereto for a general discussion of the COVID-19 event as of the date of the Official Statement.

General

The City of Borger (the "City") is located at the intersection of State Highways 152 and 207, approximately 50 miles northeast of the City of Amarillo. Borger is the largest city in Hutchinson County (the "County"). With an economy based on chemical plants and petroleum processing, Borger is the principal commercial and industrial center of the County. The City is the home of the world's largest inland petrochemical complexes. Chevron-Phillips Company produces specialty chemicals. Solvay produces RYTON plastics with a strong share in the automotive and electronics sectors. Phillips 66 processes medium sour crude, natural gas liquids into gasoline, diesel, aviation fuels, petroleum coke, and other solvents. Tokai Carbon Company produces Tread and Carcass grade carbon black along with the capacity to produce ASTM grade carbon black. Orion Engineered Carbons produces a variety of commercial and specialty grade carbon blacks. Nutrien manufactures nitrogen fertilizers and ammonia.

Hutchinson County, located in the Texas Panhandle, encompasses an area of 871 square miles and is traversed by State Highways 136, 152 and 207, and twelve farm-to-market roads. The County's economy is based on mineral and oil production. The Texas Almanac designates cattle, wheat, grain and corn as principal sources of agricultural income.

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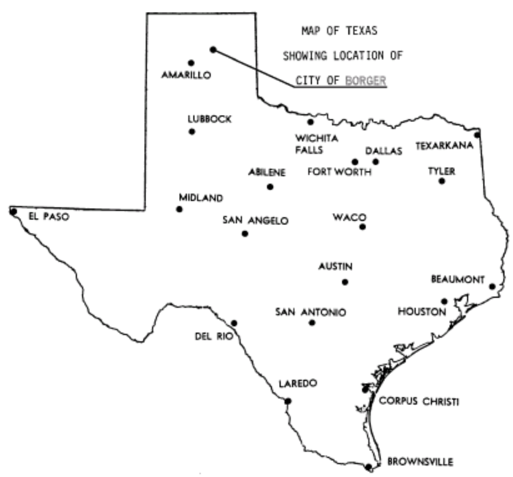
**Source: Latest Texas Municipal Report published by the Municipal Advisory Council of Texas*



Population:

Census Report	City of Borger	Hutchinson County
2020 Estimate	13,386	20,938
2010	13,251	22,150
2000	14,203	23,857
1990	15,675	25,689
1980	15,837	26,304
1970	14,195	24,443

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Sources: United States Bureau of the Census

Leading Employers in the Borger Area:

Employer	Type of Business	2020 Number of Employees
Phillips 66	Petroleum Products	700
Borger Independent School District	Public Education	513
Chevron Phillips Chemical	Specialty Chemicals	246
Wal-Mart	Retail Sales	245
Golden Plains Community Hospital	Health Care	207
City of Borger	Municipal Government	174
United Supermarket	Retail Grocery	134
Tokai Carbon	Carbon Black Production	126
Conner Industries	Construction	110
Solvay Specialty Polymers	High Performance Polymers	109

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Source: Information from the Issuer

Labor Force Statistics

	Hutchinson County		Amarillo Metropolitan Statistical Area	
	December 2020	December 2019	December 2020	December 2019
Civilian Labor Force	8,469	8,758	128,837	132,915
Total Employed	7,831	8.365	122,580	129,845
Total Unemployed	638	393	6,257	3,070
% Unemployed	7.5%	4.5%	4.9%	2.3%
% Unemployed (Texas)	7.1%	3.3%	7.1%	3.3%
% Unemployed (United States)	6.7%	3.4%	6.7%	3.4%

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Source: Texas Workforce Commission, Labor Market Information Department.

APPENDIX D

Excerpts (Table of Contents, Independent Auditor's Report, General Financial Statements and Notes to the Financial Statements), from Borger, Texas Audited Financial Statements for the fiscal year ended September 30, 2019 and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Annual Financial Report for further information.

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Basic Financial Statements

BORGER

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WHERE OPPORTUNITY BOOMS

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CITY OF BORGER, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
September 30, 2019

	Primary Government			
	Governmental Activities	Business-Type Activities	Total 2019	Component Unit
ASSETS AND DEFERRED OUTFLOW				
CURRENT ASSETS				
Pooled cash and cash equivalents	$ 652,797	$ 100,184	$ 752,981	$ 1,313,340
Investments	4,252,669	4,101,932	8,354,601	708,971
Inventories	22,532	-	22,532	-
Accounts receivables, net	281,085	1,194,372	1,475,457	-
Other receivables	246,718	1,469	248,187	305,244
Other current assets	10,271	2,498	12,769	5,607
Total Current Assets	5,466,072	5,400,455	10,866,527	2,333,162
NONCURRENT ASSETS				
Restricted assets				
Cash	392,480	339,558	732,038	-
Investments	3,160,679	472,433	3,633,112	-
Other receivables	10,761	-	10,761	-
Other noncurrent assets	-	-	-	1,815,959
Capital assets, net	19,664,671	63,574,521	83,239,192	224,287
Total Noncurrent Assets	23,228,591	64,386,512	87,615,103	2,040,246
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	2,322,752	702,058	3,024,810	-
Total Deferred Outflows from Pensions	2,322,752	702,058	3,024,810	-
Total Assets and Deferred Outflows	$ 31,017,415	$ 70,489,025	$ 101,506,440	$ 4,373,408
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	$ 433,221	$ 223,943	$ 657,164	$ 609
Sales tax payable	40,508	-	40,508	-
Accrued payroll	306,420	26,423	332,843	8,076
Payroll taxes and benefits payable	221,693	-	221,693	-
Accrued interest	35,108	242,918	278,026	-
Accrued vacation	409,163	83,672	492,835	-
Current portion of long-term debt	705,000	1,987,132	2,692,132	170,200
Total Current Liabilities	2,151,113	2,564,088	4,715,201	178,885
NONCURRENT LIABILITIES				
Utility customer deposits	3,970	344,465	348,435	-
Unearned revenue	405	-	405	-
Unfunded retirement obligation	6,233,568	1,884,114	8,117,682	-
Unfunded OPEB obligation	362,013	-	362,013	-
Long term debt due after one year	6,228,655	38,088,950	44,317,605	730,500
Total NonCurrent Liabilities	12,828,611	40,317,529	53,146,140	730,500
Total Liabilities	14,979,724	42,881,617	57,861,341	909,385
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	654,970	197,966	852,936	-
Deferred gain on refinancing	-	307,082	307,082	-
Total Deferred Inflows of Resources	654,970	505,048	1,160,018	-
Net Position				
Invested in capital assets, net of related debt	12,731,016	23,498,439	36,229,455	224,287
Restricted for debt service	239,710	-	239,710	-
Restricted for capital outlay	1,992,297	811,991	2,804,288	-
Other restricted	1,289,952	-	1,289,952	-
Unrestricted	(870,254)	2,791,930	1,921,676	3,239,736
Total Net Position	15,382,721	27,102,360	42,485,081	3,464,023
Total Liabilites, Deferred Inflows and Net Position	$ 31,017,415	$ 70,489,025	$ 101,506,440	$ 4,373,408

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year Ended September 30, 2019

		Program Revenues		
Functions and Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
Governmental Activities				
Administration	$ 703,788	$ 25,700	$ -	$ -
Information Systems	77,934	-	-	-
Fleet Services	256,600	-	-	-
Engineering	111,003	42,531	-	-
Facilities Maintenance	76,894	-	-	-
Planning and Zoning	592,963	1,270	-	-
Animal Control	228,918	10,840	-	-
Code Enforcement	275,206	123,534	-	-
Central Dispatch	658,699	282,477	-	-
Police	3,165,895	175	3,501	-
Fire and Fire Prevention	2,752,353	-	262,792	-
Emergency Management	117,738	-	-	-
Municipal Court	560,117	208,631	-	-
Public Works General	216,297	-	-	-
Streets	780,426	-	-	-
Sanitation	1,819,292	2,372,558	-	-
Solid Waste Transfer Station		-	-	-
Youth, Community and Recreation Cente	604,080	72,490	3,600	-
Parks	770,343	30,884	-	-
Economic Development and Tourism	187,343	-	-	-
Interest Expense	202,492	-	-	-
Unallocated Depreciation	1,468,675	-	-	-
Total Governmental Activities	15,627,056	3,171,090	269,893	-
Business Type Activities				
Water and Sewer	7,121,508	11,500,365	-	-
Interest Expense	1,822,313	-	-	-
	8,943,821	11,500,365	-	-
Total Primary Government	$ 24,570,877	$ 14,671,455	$ 269,893	-
Component Unit:				
Borger Economic Development Corporation	$ 1,185,249	$ -	$ -	$ (13,920)

General Revenues (Expenses):

Taxes:

Sales

Property - General

Property - Debt Service

Payments in Lieu of Property Taxes

Franchise

Occupancy

Other

Investment Earnings

Other Revenue (Expense)

Transfers, Net

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning, as Previously Reported

Change in Accounting Principle

Net Position - Beginning, as Restated

Net Position - End

See accompanying notes to the financial statements.

	Net (Expenses) Revenues and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
	$ (678,088)	$ -	$ (678,088)	$ -
	(77,934)	-	(77,934)	-
	(256,600)	-	(256,600)	-
	(68,472)	-	(68,472)	-
	(76,894)	-	(76,894)	-
	(591,693)	-	(591,693)	-
	(218,078)	-	(218,078)	-
	(151,672)	-	(151,672)	-
	(376,222)	-	(376,222)	-
	(3,162,219)	-	(3,162,219)	-
	(2,489,561)	-	(2,489,561)	-
	(117,738)	-	(117,738)	-
	(351,486)	-	(351,486)	-
	(216,297)	-	(216,297)	-
	(780,426)	-	(780,426)	-
	553,266	-	553,266	-
	-	-	-	-
	(527,990)	-	(527,990)	-
	(739,459)	-	(739,459)	-
	(187,343)	-	(187,343)	-
	(202,492)	-	(202,492)	-
	(1,468,675)	-	(1,468,675)	-
	(12,186,073)	-	(12,186,073)	-
	-	4,378,857	4,378,857	-
	-	(1,822,313)	(1,822,313)	-
	-	2,556,544	2,556,544	-
	(12,186,073)	2,556,544	(9,629,529)	-
	-	-	-	(1,199,169)
	3,277,059	-	3,277,059	1,118,488
	3,068,624	-	3,068,624	-
	911,183	-	911,183	-
	3,192,038	-	3,192,038	-
	834,424	-	834,424	-
	319,119	-	319,119	-
	48,909	-	48,909	-
	183,447	125,691	309,138	17,832
	59,081	-	59,081	180,827
	1,977,880	(1,977,880)	-	-
	13,871,764	(1,852,189)	12,019,575	1,317,147
	1,685,691	704,355	2,390,046	117,978
	14,071,497	26,398,005	40,469,502	3,346,045
	(374,467)	-	(374,467)	-
	13,697,030	26,398,005	40,095,035	3,346,045
	$ 15,382,721	$ 27,102,360	$ 42,485,081	$ 3,464,023

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
BALANCE SHEETS
GOVERNMENTAL FUNDS
September 30, 2019

	General Fund	Capital Project Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
ASSETS				
Pooled cash	$ 74,617	$ -	$ 530,203	$ 604,820
Investments	3,803,920	-	427,632	4,231,552
Inventories	-	-	22,532	22,532
Utility receivables, net	162,600	-	-	162,600
Other receivables	256,992	-	-	256,992
Restricted asets				
Pool cash	-	213,679	178,801	392,480
Investments	-	1,784,664	1,376,015	3,160,679
Other receivables	-	1,504	9,257	10,761
Total Assets	$ 4,298,129	$ 1,999,847	$ 2,544,440	$ 8,842,416
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	$ 469,749	$ -	$ 166,161	$ 635,910
Accounts payable from restricted cash	-	7,550	-	7,550
Payroll taxes and benefits payable	67,059	-	154,634	221,693
Sales tax payable	32,423	-	-	32,423
Other payables	405	-	-	405
Utility Customer Deposits	3,970	-	-	3,970
Total Liabilities	573,606	7,550	320,795	901,951
FUND BALANCES				
Restricted for debt service	-	-	239,710	239,710
Restricted for capital outlay	-	1,992,297	-	1,992,297
Other restricted	-	-	1,289,952	1,289,952
Assigned	-	-	319,519	319,519
Committed	-	-	17,253	17,253
Unrestricted - reported in special revenue funds	-	-	357,211	357,211
Unrestricted	3,724,523	-	-	3,724,523
Total Fund Balances	3,724,523	1,992,297	2,223,645	7,940,465
Total Liabilities and Fund Balances	$ 4,298,129	$ 1,999,847	$ 2,544,440	$ 8,842,416

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2019

Total Fund Balance - Governmental Funds	$ 7,940,465
Amounts reported for governmental activities in the statement of net assets are different because:	
Net capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	19,664,671
Utility Unbilled Accounts Receivable	118,485
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities include:	
Accounts payable	
Sales Tax Payable	(8,086)
Accrued Interest	(35,108)
Accrued Salaries	(27,089)
Accrued Vacation	(409,163)
Unfunded Defined-Benefit Retirement Obligations	(6,233,568)
Unfunded OPEB obligation	(362,013)
Deferred Inflows from Pensions	(654,970)
Deferred Outflows from Pensions	2,322,752
Bond and Note Obligations	(6,933,655)
Net Position of Governmental Activities	**$ 15,382,721**

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended September 30, 2019

	General Fund	Capital Project Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	$3,047,993	$ -	$ 908,600	$ 3,956,593
Sales	3,277,059	-	-	3,277,059
Franchise	834,424	-	-	834,424
Occupancy	-	-	319,119	319,119
Other	44,788	-	-	44,788
Payments in Lieu of Property Taxes	3,192,038	-	-	3,192,038
Charges for Service	2,871,468	-	30,884	2,902,352
Penalties, Fines and Forfeitures	203,022	-	5,610	208,632
Licenses, Fees, and Permits	53,696	-	-	53,696
Intergovernmental Grants and Subsidies	204,609	-	3,501	208,110
Other Grants and Contributions	3,600	-	58,333	61,933
Investment Income	119,058	17,159	47,230	183,447
Other Income	74,060	-	-	74,060
Total Revenues	13,925,815	17,159	1,373,277	15,316,251
EXPENDITURES				
Current				
General Government:				
Administration	526,585	-	-	526,585
Information Systems	92,109	-	-	92,109
Fleet Services	261,500	-	-	261,500
Engineering	112,838	-	-	112,838
Facilities Maintenance	232,165	-	-	232,165
Planning and Zoning	597,509	-	-	597,509
Public Safety				
Animal Control	234,416	-	-	234,416
Code Enforcement	280,117	-	-	280,117
Central Dispatch	647,557	-	-	647,557
Police	3,134,488	-	-	3,134,488
Fire and Fire Prevention	2,713,439	-	36,319	2,749,758
Emergency Management	108,450	-	-	108,450
Municipal Court	568,956	-	2,290	571,246
Public Works				
General	223,155	-	-	223,155
Streets	793,241	-	-	793,241
Sanitation	1,834,282	-	-	1,834,282
Solid Waste Transfer Station		-	-	-
Recycling	5,787	-	-	5,787
Culture and Recreation				
Youth, Community and Recreation Centers	610,400	-	-	610,400
Parks	718,427	-	32,042	750,469
Economic Development and Tourism	-	-	363,742	363,742
Capital Outlay				
Capital Purchases	108,916	509,328	716,578	1,334,822
Debt Service				
Principal and Interest	-	-	955,419	955,419
Administrative Fees	-	-	1,300	1,300
Total Expenditures	13,804,337	509,328	2,107,690	16,421,355
Excess (Deficit) of Revenues over Expenditures	121,478	(492,169)	(734,413)	(1,105,104)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(771,096)	-	-	(771,096)
Transfers In	625,000	1,450,000	673,976	2,748,976
Total Other Financing Sources (Uses)	(146,096)	1,450,000	673,976	1,977,880
Net Change in Fund Balance	(24,618)	957,831	(60,437)	872,776
Fund Balance, Beginning of Year	3,749,141	1,034,466	2,284,082	7,067,689
Fund Balance, End of Year	$3,724,523	$ 1,992,297	$2,223,645	$ 7,940,465

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2019

Net Changes in Fund Balance - Governmental Funds	$	872,776
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of assets are allocated over their estimated useful lives in the form of depreciation.		1,538,803
Depreciation is recognized on the Statement of Activities by allocating the cost of the assets over their estimated useful lives but is not a Governmental Fund Expense		(1,468,675)
The change in accrued utility accounts receivable is reported on the Statement of Activities but is not reflected in the Governmental fund		4,950
Debt service is an expenditure for governmental funds consisting of both interest expense and principal for the Notes Payable. The principal portion reduces long-term debt on the Governmental Activities Statement of Net Position and is not an expense on the Statement of Activities		754,226
Certain liabilities are not due and payable in the current period and therefore the changes are not reported in the funds. Those liabilities include:		
Accounts Payable		-
Sales Tax Payable		(254)
Accrued Interest		-
Accrued Salaries		230,763
Accrued Vacation		(33,588)
Unfunded Defined-Benefit Retirement Obligations		(2,252,340)
Unfunded OPEB obligation		12,454
Deferred Inflows from Pensions		432,042
Deferred Outflows from Pensions		1,594,534
Change in Net Position of Governmental Activities	**$**	**1,685,691**

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$2,990,500	$3,015,500	$3,047,993	$ 32,493
Sales	3,250,000	3,230,000	3,277,059	47,059
Franchise	919,000	894,000	834,424	(59,576)
Other	47,500	24,000	44,788	20,788
Payments in Lieu of Property Taxes	3,192,000	3,192,000	3,192,038	38
Charges for Service	2,874,150	2,844,150	2,871,468	27,318
Penalties, Fines and Forfeitures	198,000	218,000	203,022	(14,978)
Licenses, Fees, and Permits	37,900	39,150	53,696	14,546
Intergovernmental Grants and Subsidies	204,609	204,609	204,609	-
Investment Income	45,000	97,250	119,058	21,808
Other Grants and Contributions	5,000	5,000	3,600	(1,400)
Other	86,000	86,000	74,060	(11,940)
Total Revenues	13,849,659	13,849,659	13,925,815	76,156
EXPENDITURES				
Current				
General Government:				
Administration	494,764	497,289	526,585	(29,296)
Information Systems	88,481	91,481	92,109	(628)
Fleet Services	262,649	266,899	261,500	5,399
Engineering	124,946	123,496	112,838	10,658
Facilities Maintenance	308,549	379,099	232,165	146,934
Planning and Zoning	616,808	575,755	597,509	(21,754)
Public Safety				
Animal Control	237,564	230,764	234,416	(3,652)
Code Enforcement	236,465	271,911	280,117	(8,206)
Central Dispatch	736,160	639,760	647,557	(7,797)
Police	3,132,344	3,126,444	3,134,488	(8,044)
Fire and Fire Prevention	2,689,115	2,693,260	2,713,439	(20,179)
Emergency Management	121,563	113,063	108,450	4,613
Municipal Court	540,355	586,105	568,956	17,149
Public Works				
General	275,901	248,028	223,155	24,873
Streets	829,060	848,910	793,241	55,669
Sanitation	1,965,556	1,918,441	1,834,282	84,159
Recycling	30,777	30,777	5,787	24,990
Culture and Recreation				
Youth, Community and Recreation Centers	574,062	584,012	610,400	(26,388)
Parks	753,789	744,814	718,427	26,387
Capital Outlay				
Capital Purchases	20,464	68,964	108,916	(39,952)
Total Operating Expenses	14,039,372	14,039,272	13,804,337	234,935
Excess (Deficit) of Revenue over Expenditures	(189,713)	(189,613)	121,478	311,091
OTHER FINANCING SOURCES (USES)				
Transfers Out	(810,287)	(810,387)	(771,096)	39,291
Transfers In	1,000,000	1,000,000	625,000	(375,000)
Total Other Financing Sources (Uses)	189,713	189,613	(146,096)	(335,709)
Net Change in Fund Balance	$ -	$ -	(24,618)	$ (24,618)
Fund Balance, Beginning of Year			3,749,141	
Fund Balance, End of Year			$3,724,523	

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Grants and Contributions	$ -	$ -	$ -	$ -
Miscellaneous income	-	-	-	-
Interest Income	10,000	10,000	17,159	7,159
Total Revenues	10,000	10,000	17,159	7,159
EXPENDITURES				
Capital Outlay				
Capital Purchases	610,000	610,000	509,328	100,672
Total Operating Expenditures	610,000	610,000	509,328	100,672
Excess (Deficit) of Revenue over Expenditures	(600,000)	(600,000)	(492,169)	107,831
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Transfers In	-	-	1,450,000	1,450,000
Total Other Financing Sources	-	-	1,450,000	1,450,000
Net Change in Fund Balance	$ (600,000)	$ (600,000)	957,831	$1,557,831
Fund Balance, Beginning of Year			1,034,466	
Fund Balance, End of Year			$1,992,297	

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2019

	Water and Sewer Utility Fund
ASSETS AND DEFERRED OUTFLOW	
CURRENT ASSETS	
Pooled Cash and Cash Equivalents	$ 100,184
Investments	4,101,932
Accounts Receivables, Net:	1,194,372
Other Receivables	3,966
Total Current Assets	5,400,454
NONCURRENT ASSETS	
Restricted Cash	339,558
Restricted Investments	472,433
Capital Assets, Net	63,574,521
Total NonCurrent Assets	64,386,512
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows from Pensions	702,058
Total Deferred Outflows from Pensions	702,058
Total Assets and Deferred Outflows	$ 70,489,024
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	$ 223,943
Accrued Payroll Expenses	26,423
Accrued Interest	242,918
Accrued Vacation	83,672
Current Portion of Long-Term Debt	1,987,132
Total Current Liabilities	2,564,088
NONCURRENT LIABILITIES	
Utility Customer Deposits	344,465
Unfunded Retirement Obligation	1,884,114
Long Term Debt Due After One Year	38,088,950
Total Noncurrent Liabilities	40,317,529
Total Liabilities	42,881,617
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows from Pensions	197,966
Deferred Gain on Refinancing	307,082
Total Deferred Inflows of Resources	505,048
NET POSITION	
Invested in Capital Assets, Net of Related Debt	23,498,439
Restricted for Capital Improvements	811,991
Unrestricted	2,791,929
Total Net Position	27,102,359
Total Liabilities, Deferred Inflows and Net Position	$ 70,489,024

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended September 30, 2019

	Water and Sewer Utility Fund
OPERATING REVENUES	
Charges for Service	$ 4,777,165
Industrial Water Sales	6,449,781
Late Charges	114,079
Tapping and Surcharge Fees	27,945
Other and Miscellaneous	131,395
Total Operating Revenues	11,500,365
OPERATING EXPENSES	
Salaries and Wages	2,071,724
Employee Benefits	768,854
Utilities	592,427
Departmental Operating Costs	1,131,720
Professional and Technical Services	97,265
Repairs and Maintenance	176,592
Other Purchased Services	147,586
Property and Facility	21,968
General and Administrative Supplies	197,142
Rental and Lease Agreements	14,460
Bad Debt Expense	115,483
Depreciation and Amortization	1,786,287
Total Operating Expenses	7,121,508
Operating Income	4,378,857
NONOPERATING REVENUES (EXPENSES)	
Investment Income	125,691
Interest Expense	(1,822,313)
Total Nonoperating Revenues (Expenses)	(1,696,622)
Income Before Transfers	2,682,235
TRANSFERS	
Transfers Out	(1,977,881)
Total Operating Transfers	(1,977,880.88)
Change in Net Position	704,354
Net Position - Beginning of Year	26,398,005
Net Position - End of Year	$ 27,102,359

See accompanying notes to the financial statements.

CITY OF BORGER, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2019

	Water and Sewer Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	$ 11,189,345
Payments to and On Behalf of Employees	(3,512,508)
Payments to Suppliers and Contractors	(1,749,040)
Net Cash Provided By Operating Activities	5,927,797
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers, Net	(1,977,881)
Net Cash Used By Noncapital Financing Activities	(1,977,881)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Interest Paid	(1,827,896)
Prinicpal Payments on Debt	(1,900,088)
Net Cash Used By Capital Financing Activities	(3,727,984)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Capital Assets	(451,647)
Proceeds from Investments	446,500
Investment Income	125,691
Net Cash Provided By Investing Activities	120,544
Net Decrease in Cash and Cash Equivalents	342,476
Cash and Cash Equivalents at Beginning of Year	97,265
Cash and Cash Equivalents at End of Year	$ 439,741
Cash Summary abd Cash Equivalents	
Unrestricted cash	$ 100,184
Restricted cash	339,558
Cash and Cash Equivalents at End of Year	$ 439,742
Reconciliation of Operating Income to Net Cash Flows Provided by Operating Activities	
Operating Income	$ 4,378,857
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation and Amortization	1,786,287
Changes in	
Accounts Receivable	(267,629)
Other Receivables	3,794
Accounts Payable	(23,509)
Accrued Payroll Expenses	(58,975)
Accrued Vacation	2,030
Deferred Revenue	(27,266)
Utility Customer Deposits	(19,919)
Deferred Inflows/Outflows from Pensions	(614,985)
Unfunded Retirement Obligation	653,629
Net Cash Provided by Operating Activities	$ 5,927,797

See accompanying notes to the financial statements.

Notes to the Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The City of Borger, Texas (City) is a municipal corporation governed by a Council-Manager form of government. The City, incorporated in October 1926, is located in the Panhandle part of the State, occupies a land area of approximately 9 square miles and serves a population exceeding 13,250. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by State statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the City Council.

The City Council (the Council) is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by the Governmental Accounting Standards Board.

This reporting entity which consists of the City (the primary government), organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion could cause the City's financial statements to be misleading or incomplete.

Discretely Presented Component Unit - The component unit columns in the government-wide financial statements include financial data from the City's Component Unit. They are reported in a separate column to emphasize that they are legally separate from the City. The Component Unit is included in the reporting entity because the primary government is financially accountable and can impose its will (significantly influence operations and/or activities) on the organization.

> **The Borger Economic Development Corporation** (BEDC) DBA: Borger Inc. is a legally separate entity formed to create, manage, operate and supervise programs and activities to promote, assist, and enhance economic development within and around the City. The Council appoints the board members and its operations and budget are approved by the Council. Copies of the Borger Economic Development Corporation's separately issued financial statements may be obtained from the City Secretary or from the Borger Economic Development Corporation, 1111 Penn Avenue, Borger, Texas, 79007. GASB Statement 14 requires portions of the BEDC component unit financial information to be presented along with the City information.

Government-Wide and Fund Financial Statements - The government-wide financial statements (GWFS) (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business type, are reported in the GWFS using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The GWFS focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The Statement of Activities on pages 34 and 35 demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who use the segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The GWFS are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements (FFS). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Property taxes and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the City receives cash.

Governmental Funds are those through which most of the governmental functions of the City are financed. The City reports the following major governmental funds:

The General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Capital Project Fund - This Fund accounts for the City's capital projects and capital asset purchases for the City's governmental funds.

Additionally, the City reports the following non-major governmental funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments or major capital outlays that are restricted to expenditures for specified purposes.

Debt Service Fund is used to account for the accumulated resources and related payments of principal and interest on long-term general obligation debts of the City.

Proprietary funds are those through which most of the costs of providing the services are funded through charges for services. The City reports the following proprietary funds.

Water and Sewer Utility Fund - The Water & Sewer Utility Fund is used to account for the provision of water and sewer services to the residents of the City

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water, sewer, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The utilities also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Data - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the proprietary funds, with the exceptions of capital outlays being considered a budgeted line item and depreciation is not. Governmental funds are budgeted on a basis appropriate for the specific funds. All annual appropriations lapse at the end of the fiscal year.

The City Manager annually submits to the City Council a proposed operating budget for the upcoming fiscal year. Public hearings are conducted to obtain taxpayer comments, and the budget is legally enacted through passage by the City Council. Council action is required for the approval of a supplementary appropriation.

All budget amounts presented in the budget comparison statement reflect the final budget after legally authorized adjustments to the original budget during the year. Budgetary control is maintained by department with all budget supplements to be approved by the City Council. Management may make administrative transfers and increases or decreases in accounts within categories, as long as expenditures do not exceed budgeted appropriations at the fund level. No significant budget adjustments were made during the fiscal year.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents - Cash equivalents are defined as short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less when purchased which present an insignificant risk of changes in value because of changes in interest rates.

Use of Restricted Cash - When the City incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

Equity in Pooled Cash and Investments - The City pools the resources of various funds in order to facilitate the management of cash and enhance investment earnings. Records are maintained which reflect each fund's equity in the pooled account.

Property Taxes Receivable - The value of all real and business property located in the City is assessed annually on January 1 in conformity with Subtitle E of the Texas Property Code. Property taxes are levied on October 1 on those assessed values and the taxes are due upon receipt of the tax bill. The taxes are considered delinquent if not paid by the end of January. At the City's fiscal year end, all property taxes receivable are considered delinquent and an account for an allowance for uncollectible taxes is adjusted to counter the receivable. The property taxes are recorded in the General Fund and Debt Service Fund as appropriate.

Proprietary Fund Accounts Receivable - Within the Water and Sewer Utility Fund, services rendered and billed but not collected as of the close of the fiscal year are accrued and this amount is reflected in the accounts receivable balance. Amounts billed are reflected as accounts receivable net of an allowance for uncollectible accounts.

Capital Assets and Depreciation - Capital assets, including public domain infrastructure (e.g. streets, bridges, sidewalks and other assets that are immovable and of value only to the City) are defined as assets with an initial, individual cost exceeding $5,000 and an estimated useful life in excess of one year. These capital assets are reported in the GWFS and in the proprietary FFS. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated assets are recorded at the estimated fair value on the date of donation.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Depreciation is based on the estimated useful lives and has been calculated by use of the straight-line method applied to cost. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the proprietary FFS. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. The City uses the following schedule to determine the useful lives of capital assets:

Infrastructure/Improvements	10-50 Years
Buildings	15-50 Years
Equipment	3-15 Years

Inventories - The City reports inventories of supplies at cost including consumable utility maintenance and office items. Supplies are recorded as expenditures when they are consumed, except for certain utility and other supplies.

Long Term Debt - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Sales Tax Revenue - The tax is collected by the vendor from consumers and is required to be submitted to the State of Texas by the 20th of the month following collection. The State then remits the allocated amount of sales tax to the City by the 10th of the month following vendor submission. These amounts are included in the gross receipts tax revenue and are recorded as revenue when the underlying exchange has taken place, regardless if the City has actually received the funds. The City collects and remits the appropriate portion designated for the Borger Economic Development Corporation.

Accrued Vacations - It is the City's policy to permit full-time employees to accumulate earned but unused vacation and sick pay benefits. Employees are generally allowed up to 25 days of vacation depending on the length of service and can carry over up to 40 hours from year to year and is payable to the employee upon resignation or termination. Sick leave accumulates at the rate of 12 days a year and is not payable at resignation or termination. All sick pay and vacation pay are accrued when incurred in the government-wide or proprietary fund financial statements.

Deferred Outflows/Inflows of Resources - In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows for pensions related to contributions and investment experience.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's deferred inflows include actuarial differences in expected and actual experience. The City also has a deferred charge on a bond refunding, which is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred or amortized over the shorter of the life of the refunded and new debt.

Equity Classifications

Government-Wide Financial Statements:
Equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted balances, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
b. Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund classifications can be used.

Fund Financial Statements:
Governmental fund equity is classified as fund balance. Fund balance is further classified as restricted or unrestricted. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one on the above four categories. Negative unassigned fund balance in governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Risk Management - The City is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. For many years, the City has been self-insured through the Texas Municipal League Intergovernmental Risk Pool to mitigate the effects of any losses. There were no significant reductions in coverage from coverage in the prior year. Any settlement amounts have not exceeded coverage for the current year or the past three fiscal years.

Commitments and Contingencies - The City participates in some State and/or Federally assisted programs. In connection with grants under these programs, the City is required to comply with specific terms and agreements, as well as applicable Federal and State laws and regulations. Such compliance is subject to review and audit by the grantors and their representatives. In the opinion of management, the City has complied with all requirements. However, since such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of such disallowance of claimed expenditures, the City expects the resulting liability to be immaterial.

Subsequent Events – The financial statements and related disclosures include evaluation of events up through and including May 19, 2020, which is the date the financial statements are available to be issued.

NOTE B - CASH DEPOSITS AND INVESTMENTS

Cash Deposits
The City's investment policies are governed by State statutes and City ordinances. The Public Funds Investment Act (PFIA), Chapter 2256 requires the City to adopt, implement and publicize an investment policy which covers specific provisions in PFIA regarding investment practices, management reporting and policy establishment. The investment policy in effect is available for public inspection at the City Hall. The PFIA establishes authorized investment vehicles for the City. The City is in substantial compliance with the PFIA at the end of the 2019 fiscal year.

Interest Rate Risk - The City and BEDC minimizes interest rate risk by limiting investments to having a maturity date of one year or less.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City manages its custodial credit risk by depositing its funds with institutions participating in the Federal Deposit Insurance Corporation (FDIC) insurance programs and is able to collateralize the deposits in accordance to State statutes or depositing into investment pools overseen by the Texas State Comptroller of Public Accounts, such as TexPool.

In accordance with FDIC, public unit deposits are funds owned by the City. Time deposits, savings deposits and other interest-bearing accounts of a public unit in an institution will be insured up to $250,000 in aggregate and separate from the $250,000 coverage for public unit demand deposits at the same institution.

Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the City for at least the amount on deposit with the institution. The types of collateral an institution is permitted to use as pledged securities are limited to direct obligations of the United States Government and all bonds issued by any agency or political subdivision of the State of Texas.

As of September 30, 2019, the City's funds on deposit were adequately covered by either FDIC insurance or collateralized securities held by the financial institutions pledged to cover the City's deposits. The City had no bank deposits subject to custodial credit risk during the 2018-2019 fiscal year.

Borger Economic Development Corporation - The BEDC maintains its funds in a separate financial institution and TexPool accounts. Although the organization is a component unit of the City, its FDIC and collateralization of its deposits are covered separately because the Corporation is a separate non-profit entity. BEDC also does not participate in the City's internal pooling of cash and investments as disclosed below.

At September 30, 2019, the City and BEDC had insured bank balances as follows:

	City of Borger	Borger Economic Development Corporation
Carrying Amounts		
Demand Accounts	$ 1,656,656	$ 429,192
Time Deposits	-	1,599,525*
Net Reconciling Items	(172,901)	(14,377)
Total Public Funds on Deposit	1,483,755	2,014,340
Less FDIC Coverage	(250,000)	(450,000)
Amount to be Collateralized	1,233,755	1,564,340
Collateralized by Institution	(3,052,780)	(2,006,169)
Under (Over) Collateralized	$ (1,819,025)	$ (441,829)

* Includes $701,300 of investment in certificates of depsoits for the BEDC.

The City utilizes a pooled cash method of disbursements, whereby one bank account is used by both types of activities to pay expenditures, and the bank account is reimbursed by each fund for the proportionate amount spent by each fund. Below are the amounts allocated to the specific activity:

Total carrying value of the cash and cash equivalents by activities as of September 30, 2019:

	Governmental Activities	Business-type Activities	City of Borger Total	Borger Economic Development Corporation
Pooled Cash	$ 1,044,812	$ 438,943	$ 1,483,755	$ -
Bank Deposits	-	-	-	1,313,040
Total Demand Accounts	1,044,812	438,943	1,483,755	1,313,040
Cash on Hand	465	800	1,265	300
Total Cash and Cash Equivalents	$ 1,045,277	$ 439,743	$ 1,485,020	$ 1,313,340
Statement of Net Asset Reconciliation				
Restricted Cash	$ 392,480	$ 339,558		
Unrestricted Cash	652,797	100,185		
Total Cash	$ 1,045,277	$ 439,743		

Investments

The City and BEDC maintain accounts with TexPool, a public funds investment pool established under the authority of the Interlocal Cooperation Act (the Act) foundation and subject to the provisions of the Act. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires the pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by Standard and Poor's or other nationally recognized rating services; and, 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The Weighted Average Maturity (WAM) of TexPool is 27 days. Participation in the pools is allowed under the guidelines of the Act, is voluntary, and may be terminated and the funds withdrawn at the discretion of the City Council and/or the BEDC board of directors.

The City utilizes a pooled cash method for its investments, whereby one investment custodian is used by both types of activities and each fund is credited for the proportionate amount of investment income received by the investments. Below are the amounts allocated to the specific activity:

	Governmental Activities	Business-type Activites	City of Borger Total	Borger Economic Development Corporation
Certificates of Deposit	$ -	$ -	$ -	$ 708,971
Amarillo Area Foundation	98,016	-	98,016	-
TexPool Investments	7,315,332	4,574,366	11,889,698	-
Total Investments	$ 7,413,348	$ 4,574,366	$ 11,987,714	$ 708,971

Other Investments - The City is a participant in the Amarillo Area Foundation (AAF), which is an area foundation serving the Texas Panhandle by providing grants and other services funded by donations and investment earnings. Agencies invest funds with AAF and related earnings are distributed yearly. The City has invested $98,016 with AAF as of September 30, 2019 and is considered restricted for financial statement purposes.

Disclosures about Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities
Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
Level 3 - Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at September 30, 2019.

Assets Held by Amarillo Area Foundation: Valued at fair value as reported by the trustee, which represents the City's *pro rata* interest in the assets of the foundation.

Investment measured at fair value - Level 3		
Amarillo Area Foundation	$	98,016
Total investments measured at fair value		98,016
Investments measured at amortized cost		
TexPool		11,889,698
Investments measured at amortized cost		11,889,698
Total Investments	$	11,987,714

Assets Measured at fair value on a nonrecurring basis

There were no fair values of assets and liabilities measured on a nonrecurring basis at September 30, 2019.

Changes in level 3 investments for the year ended September 30, 2010:

Balance at October 1, 2018	$	98,507
Investment income		-
Distributions		-
Management Fees		(491)
Balance at September 30, 2019	$	98,016

The City's policy is to recognize transfers between levels as of the actual date of the event or change in circumstances. There were no transfers between levels during the year ended September 30, 2019.

NOTE C - RECEIVABLES

Accounts Receivable - Net - Accounts receivable shown in the governmental activities and business-type activities at year-end represents net balances due from customers of solid waste and utility services provided by the City. The City uses the reserve method to account for the allowance for bad debts and has reserved the following amounts of accounts receivable as of September 30, 2019:

	Governmental Activities		Business-type Activities		Total	
Refuse Collection Receivable	$	294,148	$	-	$	294,148
Utilities Receivable		-		1,253,563		1,253,563
Allowance for Uncollectibles		(13,063)		(59,192)		(72,255)
	$	281,085	$	1,194,371	$	1,475,456

Property Taxes Receivable - Taxes receivable for the general and other governmental funds as of September 30, 2019 are considered delinquent property taxes. State statutes prohibit governments to write off delinquent property taxes without prior legislative authorization. Property taxes of $607,737 are outstanding and have been fully offset by an allowance.

Other Receivables - Accounts receivable shown in the governmental activities as other receivables at year-end represents various receivables to the City in addition to providing services to its residents.

NOTE D - INTERFUND TRANSFERS AND BALANCES

Inter-fund transfers are made for various purposes throughout the year.

The amounts due to/from funds are reported in the respective funds in the fund financial statements but are eliminated in the Government-wide Statement of Net Assets because all the funds are considered governmental activities.

Because the City pools its TexPool investments into one fund, the fund financial statements reports the investments designated and allocated to the other funds as due to other funds and due from other funds, respectively. For reporting in the Government-wide Statement of Net Position, these due to and due from other funds are eliminated, and the investments reported in aggregate according the type of funds. A more detailed disclosure of investments may be found in Note B above.

Transfers made by the City during the fiscal year ended September 30, 2019 are listed below:

Transfer To	Transfer From	Amount	Purpose
General Fund	Water and Sewer Fund	$ 625,000	Reimbursment of expenses
Capital Equipment Fund	General Fund	771,096	Capital expenditures
Capital Equipment Fund	Various Funds	97,120	Capital expenditures
Capital Equipment Fund	Water and Sewer Fund	1,450,000	Capital expenditures
City Tourism Fund	Hotel/Motel Fund	156,622	Designinated funds transfer
	Total Transfers	$ 3,099,838	

NOTE E - CAPITAL ASSETS

Capital asset activity for the City for the fiscal year ended September 30, 2019 is detailed below:

Governmental Activities:				
Assets not Depreciated:				
Land	$ 1,192,723	$ 13,920	$ -	$ 1,206,643
Depreciable Assets:				
Buildings and Improvements	14,101,632	321,507	-	14,423,139
Furniture and Equipment	14,104,003	943,131	(800,931)	14,246,203
Infrastructure	7,002,408	31,679	-	7,034,087
Construction in Progress	340,189	269,366	(40,800)	568,755
Total Depreciable Assets	35,548,232	1,565,683	(841,731)	36,272,184
Accumulated Depreciation:				
Buildings, Furniture, and Equipment	(13,161,444)	(1,393,659)	725,915	(13,829,188)
Infrastructure	(3,984,968)	-	-	(3,984,968)
Total Accumulated Depreciation	(17,146,412)	(1,393,659)	725,915	(17,814,156)
Net Depreciable Assets	18,401,820	172,024	(115,816)	18,458,028
Net Governmental Activities Capital Assets	$ 19,594,543	$ 185,944	$ (115,816)	$ 19,664,671

See report of independent auditors.

The City reported $1,393,659 of depreciation in general fixed assets in use by governmental funds on the Government-wide Statement of Activities. The City did not allocate the depreciation to the various governmental functions, instead presenting the amount separately from the departmental functions on the statement.

	Balance 9/30/2018	Additions	Deletions and Disposals	Ending Balance 9/30/2019
Business-type Activities:				
Assets not Depreciated:				
Land	$ 1,496,247	$ -	$ -	$ 1,496,247
Depreciable Assets:				
Buildings and Improvements	384,113	-	-	384,113.00
Furniture and Equipment	1,982,380	154,323	(72,392)	2,064,311.00
Infrastructure	89,394,750	2,406,098	-	91,800,848.00
Construction in Progress	2,267,270	38,294	(2,147,068)	158,496.00
Total Depreciable Assets	94,028,513	2,598,715	(2,219,460)	94,407,768
Accumulated Depreciation:				
Buildings, Furniture, and Equipment	(1,661,031)	-	-	(1,661,031)
Infrastructure	(28,954,568)	(1,786,287)	72,392	(30,668,463)
Total Accumulated Depreciation	(30,615,599)	(1,786,287)	72,392	(32,329,494)
Net Depreciable Assets	63,412,914	812,428	(2,147,068)	62,078,274
Net Business-type Activities Capital Assets	$ 64,909,161	$ 812,428	$ (2,147,068)	$ 63,574,521

Capital asset activity for Borger Economic Development Corporation is disclosed below:

	Balance 9/30/2018	Additions	Deletions and Disposals	Ending Balance 9/30/2019
Component Unit:				
Assets not Depreciated:				
Land	$ 52,615	$ -	$ (24,245)	$ 28,370
	52,615	-	(24,245)	28,370
Depreciable Assets:				
Buildings and Improvements	317,636	-	(5,133)	312,503
Furniture and Equipment	34,753	15,376	(823)	49,306
Total Depreciable Assets	352,389	15,376	(5,956)	361,809
Accumulated Depreciation:				
Buildings and Improvements	(114,608)	(19,125)	3,079	(130,654)
Furniture and Equipment	(28,078)	(7,654)	494	(35,238)
Total Accumulated Depreciation	(142,686)	(26,779)	3,573	(165,892)
Net Depreciable Assets	209,703	(11,403)	(2,383)	195,917
Net Componet Unit Capital Assets	$ 262,318	$ (11,403)	$ (26,628)	$ 224,287

NOTE F - LONG-TERM DEBT

In recent years, the City has shifted the debt service of both governmental activities and business-type activities to the Interest and Sinking Fund. This Fund collects and remits debt service payments from the General Fund, other non-major governmental funds and the Water and Sewer Fund and remits the debt service payments to the proper lenders or agencies. The following detail the outstanding bonds, notes and capital lease obligations for the City as of September 30, 2019:

Governmental Activities:

2013 Certificates of Obligation - The City issued Certificates of Obligation in 2013 to fund public works projects for street improvements, parks and recreation improvements, improving and equipping various facilities, drainage improvements and constructing and improving municipal parking facilities. The Certificates of Obligations were issued in February 2013, with the first principal payment made February 1, 2014. Principal payments ranging from $110,000 to $190,000 are due annually with interest paid on a semi-annual basis. The debt service is being funded by funds from ad valorem tax revenue out of the Interest and Sinking Fund.

2016 Certificates of Obligation - The City issued Certificates of Obligation in 2016 to fund public works projects for street improvements, parks and recreation improvements, improving and equipping various facilities, drainage improvements and constructing and improving public safety facilities. The Certificates of Obligations were issued in June 2016, with the first principal payment scheduled on August 1, 2017. Principal payments ranging from $110,000 to $355,000 are due annually with interest paid on a semi-annual basis. The debt service is being funded by funds from ad valorem tax revenue out of the Interest and Sinking Fund.

General Obligation Refunding Bonds, Series 2016 - In the fiscal year ended September 30, 2016 the City issued General Obligation Refunding Bonds, Series 2016 for the advance refunding of the remaining portion of the Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2006. Principal payments ranging from $482,900 to $513,250 are due annually through 2022 with interest paid on a semi-annual basis.

Happy State Bank - The City entered into a Note Payable with Happy State Bank in May 2009 to fund the purchase of a fire engine. Annual principal and interest payments of $56,531 were made and the balance was retired during 2019. Funds from the City's general revenue were used for the debt service of this note payable.

The debt service activity for the government-type activities of the City for the fiscal year ended September 30, 2019 is disclosed below:

	Balance 9/30/2018	Additions	Payments	Balance 9/30/2019
2013 Certificates of Obligation	$ 2,320,000	$ -	$ (125,000)	$ 2,195,000
2016 Certificates of Obligation	3,180,000	-	(115,000)	3,065,000
2016 General Obligation Refunding	1,845,000	-	(450,000)	1,395,000
Happy State Bank	54,241	-	(54,241)	-
Balance of unamortized premium	288,640	-	(9,984)	278,656
	$ 7,687,881	$ -	$ (754,225)	$ 6,933,656

The following schedule details the interest rate and current portion of the liabilities of the governmental activities as of September 30, 2019:

	Interest Rate	Original Amount	Maturity	Principal Due Within One Year
2013 Certificates of Obligation	2% to 3.25%	$ 2,910,000	Feb, 2023	$ 130,000
2016 Certificates of Obligation	2% to 4.00%	3,645,000	Aug, 2036	120,000
2016 General Obligation Refunding	2.00%	2,730,000	Aug, 2022	455,000
				$ 705,000

The following schedule details the future maturities of the liabilities of the governmental activities as of September 30, 2019:

Year Ended September 30,	Principal	Interest	Total Debt Service
2020	$ 705,000	$ 194,600	$ 899,600
2021	720,000	179,850	899,850
2022	735,000	164,377	899,377
2023	310,000	149,300	459,300
2024	320,000	141,794	461,794
2025-2029	1,665,000	572,031	2,237,031
2030-2034	1,740,000	264,863	2,004,863
2035-2039	460,000	27,800	487,800
	$ 6,655,000	$ 1,694,615	$ 8,349,615

Business-type Activities:

Canadian River Municipal Water Authority Bond Obligations - The City is a member of the Canadian River Municipal Water Authority (CRMWA), which is a governmental entity created by the Texas legislature with the purpose of providing a municipal and industrial water source for the eleven (11) member cities of the Authority. Being a member, the City is obligated to proportionately share in the financing of the construction and maintenance of the dam and aqueduct, as well as the purchase of additional water rights and the development of the Roberts County well fields.

The CRMWA related liabilities disclosed below are the obligations of the City as prorated and passed through by CRMWA. The bonds are payable and secured by an irrevocable first lien and pledge of the City's water and sewer revenues in accordance with the City's agreements with CRMWA.

The following disclosures are not intended to represent the full amount of notes and bond liabilities of CRMWA. CRMWA issues a publicly available comprehensive annual financial reports that include financial statements and required supplementary information for the Authority; the reports also provide detailed explanations of the contributions, liabilities and other information and assumptions concerning the member cities and the Authority. These financial reports may be obtained by writing to CRMWA, PO Box 9, Sanford, TX 79078 or at http://www.crmwa.com.

The descriptions of CRMWA's bond obligations are detailed below, as well as the City's proportionate share and debt service activity. Respective principal payments are made annually in February and interest payments are made semiannually in February and August of the fiscal year. Funding for these obligations comes from the operations of the Water and Sewer Fund.

USBR Series 1999 Refunding Series 2010 - In the fiscal year ended September 30, 2000, the Authority issued the 1999 Series Contract Revenue Refunding bonds for refinancing the U.S. Bureau of Reclamation's Prepayment Project. The bond proceeds were used to retire the Bureau of Reclamation debt for the construction of Sanford Dam, Lake Meredith and the original aqueduct system. In the fiscal year ended September 30, 2010, the Authority issued Contract Revenue Refunding Bonds, Series 2010 for refunding of the Series 1999 Bureau of Reclamation Prepayment Project.

As a result of the 1999 series USBR refinancing, the City realized a profit of $2,164,133 from the debt restructuring and recorded the amount as deferred inflows of resources. During the fiscal year ending September 30, 2019, the City recognized approximately $139,410 of the gain as a reduction of interest expense with a remaining amount of $307,082 to be amortized over the life of the original 1999 series prior to the refunding.

Conjunctive Use Groundwater Series 2009 - In the fiscal year ended September 30, 2005, the Authority issued Contract Revenue Bonds, Series 2009 to finance the continuation and expansion of the Conjunctive Use Groundwater Supply Project

Contract Revenue Refunding Bonds Series 2010 - In the fiscal year ended September 30, 2000, the Authority issued Contract Revenue Bonds, Series 1999 for financing the construction of the Conjunctive Use Groundwater Supply Project and for the advance refunding of the Contract Revenue Bonds, Series 1996. In the year ended September 30, 2010 the Authority issued Contract Revenue Refunding Bonds, Series 2010 for the advance refunding of the remaining portion of the Series 1999 bonds that the Series 2005 refunding did not cover.

Conjunctive Use Groundwater Series 2011 - In the fiscal year ended September 30, 2012, the Authority issued Contract Revenue Bonds, Series 2011 to finance the continuation and expansion of the Conjunctive Use Groundwater Supply Project

Contract Revenue Refunding Bonds Series 2014 - In the fiscal year ended September 30, 2015 the Authority issued Contract Revenue Refunding Bonds, Series 2014 for the advance refunding of the remaining portion of the Series 2005 bonds and most of the Series 2006.

Revenue Refunding Bonds Series 2012 - In the fiscal year ended September 30, 2013 the Authority issued Revenue Refunding Bonds, Series 2012 to refinance the Conjunctive Use Groundwater Series 2005 debt.

Contract Revenue Refunding Bonds Series 2017 - In the fiscal year ended September 30, 2018 the Authority issued Contract Revenue Refunding Bonds, Series 2017 for the advance refunding a portion of the Series 2009 bonds.

Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation Series 2013 - The City issued $5,245,000 Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Taxable Series 2013 to fund the construction of public works, to wit: constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water and sewer system properties and facilities including the acquisition of land and rights-of-way.

Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation Series 2014 - The City issued $32,955,000 Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Taxable Series 2014 to fund the construction of public works, to wit: constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water and sewer system properties and facilities including the acquisition of land and rights-of-way.

The debt service activity for the Business-type Activities of the City for the fiscal year ended September 30, 2019 is disclosed below:

	Balance 9/30/2018	Additions	Payments	Balance 9/30/2019
Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation Series 2013	$ 4,220,000	$ -	$ (205,000)	$ 4,015,000
Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation Series 2014	29,445,000	-	(925,000)	28,520,000
CRMWA Related Debt:				
Contract Revenue Refunding Conjunctive Use Groundwater Series 2010	106,667		(51,542)	55,125
Conjunctive Use Groundwater Series 2009	13,456	-	(13,456)	-
Conjunctive Use Groundwater Series 2011	3,392,034	-	(210,169)	3,181,865
Contract Revenue Refunding Conjunctive Use Groundwater Series 2017	627,037	-	(40,994)	586,043
Refunding Revenue Bonds Series 2012	2,205,925	-	(72,585)	2,133,340
Refunding Revenue Bonds Series 2014	1,647,701	-	(368,445)	1,279,256
	41,657,820	-	(1,887,191)	39,770,629
Balance of unamortized premium	318,350	-	(13,022)	305,328
	$ 41,976,170	$ -	$ (1,900,213)	$ 40,075,957

Total interest expense for Business-type activities for 2019 was $1,822,313.

The following schedule details the interest rate and current portion of the liabilities of the business-type activities as of September 30, 2019:

	Interest Rate	Original Amount	Maturity	Due Within One Year
Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation Series 2013	5.5% to 6%	$ 5,245,000	Aug, 2033	$ 210,000
Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation Series 2014	2.0% to 4.723%	32,955,000	Aug, 2039	950,000
CRMWA Related Debt:				
Contract Revenue Refunding CUG Series 2010	3.00%	496,016	Feb, 2020	55,125
Conjunctive Use Groundwater Series 2009	3.00%	1,171,146	Feb, 2020	-
Refunding Revenue Bonds Series 2017	5.55%	2,781,080	Feb, 2029	55,768
Refunding Revenue Bonds Series 2012	3.0% to 3.6%	2,515,661	Feb, 2025	278,440
Refunding Revenue Bonds Series 2014	2.0% to 5.0%	2,801,041	Feb, 2027	219,305
Conjunctive Use Groundwater Series 2011	5.00%	4,581,076	Feb, 2031	218,494
				$ 1,987,132

See report of independent auditors.

The following schedule details the future maturities of the liabilities of the business-type activities as of September 30, 2019:

Year Ended September 30,	Principal	Interest	Total Debt Service
2020	$ 1,987,132	$ 1,811,415	$ 3,798,547
2021	2,021,861	1,738,464	3,760,325
2022	2,112,408	1,651,112	3,763,520
2023	2,205,525	1,558,955	3,764,480
2024	2,296,916	1,461,584	3,758,500
2025-2029	10,021,845	5,885,310	15,907,155
2030-2034	9,549,942	3,591,011	13,140,953
2035-2039	9,575,000	1,397,772	10,972,772
	$ 39,770,629	$ 19,095,623	$ 58,866,252

NOTE G - COMMITMENTS

Construction Commitments

The City has the following construction commitments as of September 30, 2019. These projects are evidenced by contractual arrangements with construction contractors.

	Original Contract	Construction in progress	Contract Balance
Government Activities			
Active Contracts			
Roosevelt Street Lights**	$ 263,294	$ 263,294	$ -
Construction of storm sewer lines	660,527	32,525	628,002
Cofield Pavillion	160,000	147,553	12,447
Engineering fees for future projects	-	125,383	-
	$ 1,083,821	$ 568,755	$ 640,449
Government Activities			
Active Contracts			
Replacement of various sewer lines and constrcution of a lift station	$ 1,554,526	$ 134,049	$ 1,450,477
Engineering fees for future projects	-	24,447	-
Subsequent Contracts			
Construction of 12" water line by-pass	313,373	-	-
	$ 1,867,899	$ 158,496	$ 1,450,477

** Listed in CIP as funding was pre-paid to SPS, but not accepted by City as of 9/30/2019

Operating Lease Commitments

The City leases equipment under operating leases expiring on various dates. Total operating leases rental expense for 2019 fiscal year was $36,605.

The following is a schedule by year of future minimum lease payments under operating leases as of September 30, 2019 that have initial or remaining terms in excess of one year:

Year Ended September 30,	Amount
2020	$ 64,185
2021	62,192
2022	62,030
2023	57,611
2024	12,716
	$ 258,734

Subsequent Commitments

In January of 2020, the Council approved the purchase of a new firetruck. The accepted bid was $729,736.

NOTE H - TRANSFER STATION COMPLIANCE STATEMENT

The City meets the Local Government Financial Test and Government Guarantee as specified in the Texas Administrative Code (TAC), Chapter 37. The City is the owner of Transfer Station, MSW #40015, for which financial assurance for closure and post-closure care is achieved through the financial tests specified in Paragraph 37.271 of the TAC.

NOTE I - PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS

Pension Trust Fund:

Plan Description
The City of Borger, Texas participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the TRMS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided
TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the State statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The Plan provisions are adopted by the governing body of the City, within the options available in the State statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2018	**Plan Year 2017**
Employee Deposit Rate	7.0%	7.0%
Matching Ratio (City to Employee)	2 to 1	2 to 1
Years Required for Vesting	10	10
Service Retirement Eligibility		
(Expressed as Age/Years of Service)	60/10, 0/20	60/10, 0/20

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

	2018	2017
Inactive employees or beneficiaries currently receiving benefits	86	86
Inactive employees entitled to but not yet receiving benefits	68	60
Active employees	170	168
	324	314

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the State law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Borger, Texas were 15.02% in calendar year 2018 and 14.77% in calendar year 2019. The City's contributions to TMRS for the fiscal year ended September 30, 2019, totaled $1,360,275, and exceeded the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) of $8,117,682 was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at 12/31/17	$ 45,052,832	$ 39,841,119	$ 5,211,713
Changes of the year:			
Service cost	1,434,761	-	1,434,761
Interest	3,026,542	-	3,026,542
Difference between expected and actual experience	(855,463)	-	(855,463)
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(1,865,119)	(1,865,119)	-
Contributions - employer	-	1,302,011	(1,302,011)
Contributions - employee	-	615,400	(615,400)
Net investment income	-	(1,193,270)	1,193,270
Administrative expense	-	(23,065)	23,065
Other	-	(1,205)	1,205
Net changes	1,740,721	(1,165,248)	2,905,969
Balances at 12/31/18	$ 46,793,553	$ 38,675,871	$ 8,117,682

Actuarial assumptions:
The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

	2018
Inflation	2.5%
Salary increases	3.5% to 10.5%
Long-term assumed investment rate of return	6.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2018 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1 % Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
City of Borger's Net Pension Liability	$ 14,624,249	$ 8,117,682	$ 2,782,353

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized pension expense of $1,558,557.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Contributions subsequent to 12/31/2017	$ 967,079	$ -
Difference in projected and actual earnings	2,057,731	-
Differences between actual and expected assumptions	-	(1,871)
Differences between actual and expected recognition	-	(851,065)
Total	$ 3,024,810	$ (852,936)

Deferred outflows of resources related to pensions in the amount of $967,079 resulting from contributions subsequent to the December 31, 2018 measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2020	$ 414,025
2021	116,769
2022	96,065
2023	607,664
2024	(29,728)
	$ 1,204,795

Supplemental Death Benefits Fund:

Plan Description - Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Benefits - The City elected to provide group-term life insurance coverage for both current and retired employees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculation based on the employee's actual earnings for a 12-month period preceding the month of death). Retired employees are insured for $7,500.

The following table provides a summary of the number of participants in the plan as of December 31, 2018:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	7
Active employees	170
	227

Contributions - The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. The City's expense was $25,905.

Total OPEB Liability - The actuarial valuation was performed as of December 31, 2018.

Actuarial Assumptions - The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary increases	3.5% to 10.5%
Discount rate*	3.71%
Retirees' share of benefit-related costs	-0-
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates – disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018

Note: The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at 12/31/17	$ 374,467
Changes of the year:	
Service cost	14,066
Interest	12,540
Difference between expected and actual experience	(7,526)
Changes of assumptions	(26,259)
Benefit payments, including refunds of member contributions	(5,275)
Other	-
Net changes	(12,454)
Balances at 12/31/18	$ 362,013

Sensitivity of the Total OPEB liability to changes in the discount rate

The following represents the total OPEB liability of the City, calculated using the discount rate of 3.71%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.71%) or 1 percentage-point higher (4.71%) than the current rate:

	1 % Decrease (2.71%)	Current Discount Rate (3.71%)	1% Increase (4.71%)
City of Borger's Net Pension Liability	$ 432,801	$ 362,013	$ 307,189

NOTE J - DISCRETELY PRESENTED COMPONENT UNIT

Component unit information for the City's major component unit, Borger Economic Development Corporation, is provided in the following condensed financial statements for the fiscal year ended September 30, 2019:

CONDENSED STATEMENT OF NET ASSETS

Current Assets		**Current Liabilities**	
Cash and Cash Equivalents	$1,313,340	Accrued Payables and Expenses	$ 8,685
Investments	708,971	Grants Payable - Current	170,200
Sales Tax Receivables	195,395	Total Current Liabilities	178,885
Notes and Loans Receivable	109,849		
Other Receivables	-	**Other Liabilities**	
Prepaids	5,607	Grants Payable - Long Term	730,500
Total Current Assets	2,333,162	**Total Liabilities**	909,385
Non-Current Assets			
Loans Receivable - Noncurrent	473,996	**Net Position**	
Land for development and sale	1,341,963	Invested in Capital Assets	224,287
Capital Assets, Net	224,287	Unrestricted	3,239,736
Total NonCurrent Assets	$2,040,246	Total Net Position	3,464,023
Total Assets	$4,373,408	**Total Net Position and Liabilities**	$4,373,408

CONDENSED STATEMENT OF REVENUES EXPENSES AND CHANGES IN NET ASSETS

Revenues	
Sales Taxes	$ 1,118,488
Economic Loan Interest	47,009
Other Income	151,650
Total Revenue	1,317,147
Expenses	
Salaries and Employee Benefits	206,725
Projects, Grants, and Other Expenses	992,444
Total Expenses	1,199,169
Change in Net Assets	117,978
Net Position at Beginning of Period	3,346,045
Net Position at End of Period	$ 3,464,023

BEDC has finalized an award agreement in the amount of $1,000,000 to Agrium U.S., Inc. The award is to be funded over a ten-year period and will only be advanced after the urea plant expansion is complete. The incentive agreement is to assist Agrium in their efforts to promote economic development in the City of Borger. As of September 30, 2019, $300,000 has been distributed on this agreement and there is a remaining commitment of $700,000.

NOTE K – NEW STANDARDS IMPLEMENTATION

In FYE September 30, 2019, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). The Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local government employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about defined benefit OPEB were enhanced.
The effects of implementing this statement had a material effect on the City's Net Position. The City recognized the net pension liability on the Statement of Net Position. The net pension liability totaled $362,013 as of September 30, 2019 and is based on the total OPEB liability of the plans. The plan is not funded.

This Statement required that the City record a beginning OPEB liability as of September 30, 2018. As a result of the implementation of GASB Statement No. 75, the City recorded a change in accounting principle adjustment of ($374,467) to the beginning Net Position in the Government-wide Statement of Activities.

	Governmental Activities	Business-Type Activities	Total
Net Position - Beginning, as Previously Reported	$ 14,071,497	$ 26,398,005	$ 40,469,502
Change in Accounting Principle	(374,467)	-	(374,467)
Total	$ 13,697,030	$ 26,398,005	$ 40,095,035

NOTE L – SUBSEQUENT PRONOUNCEMENTS

In November 2016, GASB issued Statement No. 83 ("GASB 83"), Certain Asset Retirement Obligations (ARO). GASB 83 establishes uniform criteria for governments to recognize and measure certain asset retirement obligations, defined as a legally enforceable liability associated with the retirement of a tangible capital asset. An ARO is recognized when the liability is incurred, which is manifested by the occurrence of both an external obligating event (such as a legally binding contract or a court judgment) and an internal obligating event (such as placing a tangible capital asset into service). A government also recognizes a deferred outflow of resources when it recognizes an ARO liability. The ARO is measured at the best estimate of the current value of outlays expected to be incurred. Additional note disclosures are required. GASB 83 was effective for the fiscal period ending September 30, 2019. The City does not have a ARO.

In January 2017, GASB issued Statement No. 84 ("GASB 84"), Fiduciary Activities. GASB 84 establishes criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements, and other fiduciary activities. GASB 84 is effective for the fiscal period ending September 30, 2020; however, implementation will have no impact on the City.

In June 2017, GASB issued Statement No. 87 ("GASB 87"), Leases. GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB 87 is effective for the fiscal period ending September 30, 2021. The City has not yet determined the impact of this Statement.

In June 2018, GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements ("GASB 88"). GASB 88 specifies disclosures that should be made in the financial statements related to debt. It also provides a definition of debt so that governments know which types of liabilities should be included in those disclosures. If a government has direct borrowings or direct placements, disclosures related to these should be provided separately from disclosures related to other types of debt. This Statement had no impact on the City.

In December 2019, GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period ("GASB 89"). GASB 89 requires that interest costs incurred before the end of a construction period be recognized as expenses in the period in which the costs are incurred. As a result, the interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

Statistical Information

City of Borger, Texas

Net Position Comparison by Component

	FY 2014 - 15	FY 2015 - 16	change (%)
Government Activities			
Invested in Capital Assets, Net of Related Debt	$ 8,549,579	$ 8,316,518	-2.7%
Restricted	2,457,909	4,422,414	79.9%
Unrestricted	61,721	(447,798)	-825.5%
Total Governmental Activities Net Position	**$ 11,069,209**	**$ 12,291,134**	**11.0%**
Business-type Activities			
Invested in Capital Assets, Net of Related Debt	$ 11,864,730	$ 18,097,647	52.5%
Restricted	8,281,307	5,033,078	-39.2%
Unrestricted	2,116,152	1,092,767	-48.4%
Total Governmental Activities Net Position	**$ 22,262,189**	**$ 24,223,492**	**8.8%**
Primary Government			
Invested in Capital Assets, Net of Related Debt	$ 20,414,309	$ 26,414,165	29.4%
Restricted	$ 10,739,216	$ 9,455,492	-12.0%
Unrestricted	$ 2,177,873	$ 644,969	-70.4%
Change in Accounting Principle	$ -	$ -	
Total Primary Government Net Position	**$ 33,331,398**	**$ 36,514,626**	**9.6%**

FY 2017 - 18	change (%)	FY 2018 - 19	change (%)
$ 11,906,662	8.5%	$ 12,731,016	6.9%
2,681,751	151.1%	3,521,959	31.3%
(516,916)	-149.4%	(870,254)	68.4%
$ 14,071,497	**7.5%**	**$ 15,382,721**	**9.3%**
$ 22,932,991	18.1%	$ 23,498,439	2.5%
1,092,884	-70.9%	811,991	-25.7%
2,372,130	33.0%	2,791,930	17.7%
$ 26,398,005	**5.8%**	**$ 27,102,360**	**2.7%**
$ 34,839,653	14.7%	$ 36,229,455	4.0%
$ 3,774,635	-21.7%	$ 4,333,950	14.8%
$ 1,855,214	-34.4%	$ 1,921,676	3.6%
$ (374,467)		$ -	
$ 40,095,035	**5.4%**	**$ 42,485,081**	**6.0%**

City of Borger, Texas
Changes in Net Position Comparison
(in thousands)

	FY 2014 - 15	FY 2015 - 16	change (%)	FY 2016 - 17
Revenues				
Governmental Activities Program Revenue				
Charges for Service	$ 4,960	$ 4,862	-2.0%	$ 6,048
Operating Grants/Contributions	$ 354	$ 477	34.7%	$ 307
Capital Grants/Contributions	$ -	$ -		$ -
Governmental Activities General Revenue				
Property Taxes	$ 3,897	$ 4,453	14.3%	$ 4,008
Sales Taxes	$ 3,305	$ 3,328	0.7%	$ 3,272
Other Taxes	$ 1,481	$ 1,322	-10.7%	$ 1,285
Payments in Lieu of Taxes	$ -	$ -		$ -
Unfunded Pension	$ -	$ -		$ -
Investment Earnings	$ 11	$ 48	336.4%	$ 59
Other Revenue	$ 87	$ 246	182.8%	$ 314
Gain on Disposal of Assets	$ 3	$ -	-100.0%	$ -
Transfers	$ 608	$ 1,250	105.6%	$ 927
Total Governmental Activities Revenue	**$ 14,706**	**$ 15,986**	**8.7%**	**$ 16,220**
Business-type Activities Program Revenues				
Charges for Service	$ 8,709	$ 9,716	11.6%	$ 10,119
Capital Grants/Contributions	$ -	$ -		$ -
Business-type Activities General Revenues				
Investment Earnings	$ 6	$ 4	-33.3%	$ 44
Transfers	$ (608)	$ (1,250)	105.6%	$ (927)
Total Business-type Activities Revenue	**$ 8,107**	**$ 8,470**	**4.5%**	**$ 9,236**
Total Primary Government Expenses	**$ 22,813**	**$ 24,456**	**7.2%**	**$ 25,456**
Expenses				
Government Activities				
General/Staff Services	1,159	1,879	62.1%	$ 1,760
Public Safety	6,388	6,974	9.2%	$ 7,544
Streets	1,035	959	-7.3%	$ 972
Culture & Recreation	1,328	1,238	-6.8%	$ 1,321
Solid Waste	1,749	1,902	8.7%	$ 1,985
Tourism	133	193	45.1%	$ 190
Information Technology	59	63	6.8%	$ 79
Depreciation	1,134	1,222	7.8%	$ 1,328
Interest on Long Term Debt	281	334	18.9%	$ 244
Total Governmental Activities Expenses	**$ 13,266**	**$ 14,764**	**11.3%**	**$ 15,423**
Business-type Activities				
Water and Sewer	6,183	6,508	5.3%	$ 8,514
Total Business-type Activities Expenses	**$ 6,183**	**$ 6,508**	**5.3%**	**$ 8,514**
Total Primary Government Expenses	**$ 19,449**	**$ 21,272**	**9.4%**	**$ 23,937**
Change in Net Position				
Governmental Activities	$ 1,440	$ 1,222	-15.1%	$ 797
Business-type Activities	$ 1,924	$ 1,962	2.0%	$ 722
Total Primary Government Change in Net Position	**$ 3,364**	**$ 3,184**	**-5.4%**	**$ 1,519**

change (%)	FY 2017 - 18	change (%)	FY 2018 - 19	change (%)
24.4%	$ 5,962	-1.4%	$ 3,171	-46.8%
-35.6%	$ 315	2.6%	$ 315	0.0%
	$ -		$ -	
-10.0%	$ 4,033	0.6%	$ 3,980	-1.3%
-1.7%	$ 3,107	-5.0%	$ 3,277	5.5%
-2.8%	$ 1,248	-2.9%	$ 1,202	-3.7%
	$ -		$ 3,192	
	$ -		$ -	
22.9%	$ 120	103.4%	$ 183	52.5%
27.6%	$ 45	-85.7%	$ 59	31.1%
	$ -		$ -	
-25.8%	$ 843	-9.1%	$ 1,978	134.6%
1.5%	**$ 15,673**	**-3.4%**	**$ 17,357**	**10.7%**
4.1%	$ 10,538	4.1%	$ 11,500	9.1%
	$ 434		$ -	-100.0%
1000.0%	$ 198	350.0%	$ 126	-36.4%
-25.8%	$ (843)	-9.1%	$ (1,978)	134.6%
9.0%	**$ 10,327**	**11.8%**	**$ 9,648**	**-6.6%**
4.1%	**$ 26,000**	**2.1%**	**$ 27,005**	**3.9%**
-6.3%	$ 1,580	-10.2%	$ 1,741	10.2%
8.2%	$ 7,183	-4.8%	$ 7,759	8.0%
1.4%	$ 1,031	6.1%	$ 997	-3.3%
6.7%	$ 1,254	-5.1%	$ 1,374	9.6%
4.4%	$ 1,792	-9.7%	$ 1,819	1.5%
-1.6%	$ 186	-2.1%	$ 187	0.5%
25.4%	$ 79	0.0%	$ 90	13.9%
8.7%	$ 1,370	3.2%	$ 1,469	7.2%
-26.9%	$ 216	-11.5%	$ 203	-6.0%
4.5%	**$ 14,691**	**-4.7%**	**$ 15,639**	**6.5%**
30.8%	8,874	4.2%	8,945	0.8%
30.8%	**$ 8,874**	**4.2%**	**$ 8,945**	**0.8%**
12.5%	**$ 23,565**	**-1.6%**	**$ 24,584**	**4.3%**
-34.8%	$ 982	23.2%	$ 1,718	74.9%
-63.2%	$ 1,453	101.2%	$ 703	-51.6%
-52.3%	**$ 2,435**	**60.3%**	**$ 2,421**	**-0.6%**

City of Borger, Texas

Fund Balance Comparison

	FY 2014 - 15	FY 2015 - 16	change (%)
Government Activates			
Unrestricted General Fund	$ 3,272,807	$ 3,584,229	9.5%
Total Governmental Activities Fund Balance	**$ 3,272,807**	**$ 3,584,229**	**9.5%**
Business-type Activities			
Unrestricted Water/Sewer Fund	$ 3,826,613	$ 2,961,582	-22.6%
Restricted Meter Deposits	$ 367,164	$ 370,429	0.9%
Total Business-type Activities Fund Balance	**$ 4,193,777**	**$ 3,332,011**	**-20.5%**
Capital Project Funds *(Restricted)*			
Capital Equipment Fund	$ 396,998	$ 448,551	13.0%
Total Governmental Activities Fund Balance	**$ 396,998**	**$ 448,551**	**13.0%**
Special Revenue Funds *(Restricted)*			
City Tourism Fund	$ 931,212	$ 348,266	-62.6%
Central Supply Fund	$ 49,927	$ 21,911	-56.1%
Park Recreation & Special Projects Fund	$ (7,042)	$ 2,753	-139.1%
Police Club 100 Fund	$ 67	$ 1,111	1558.2%
Fire Training/Equipment Fund	$ 120,718	$ 265,361	119.8%
Emergency Operations Fund	$ 3,131	$ 3,131	0.0%
Municipal Court Security Fund	$ 58,558	$ 61,085	4.3%
Debt Service Fund	$ 309,870	$ 278,713	-10.1%
Fire Benevolent Fund	$ -	$ -	
Police Benevolent Fund	$ 6,060	$ 6,060	0.0%
Municipal Court Technology Fund	$ 7,420	$ 7,677	3.5%
Hotel/Motel Occupancy Tax Fund	$ -	$ -	
Multi-Purpose Events Center Fund	$ 100,135	$ 1,603,215	1501.1%
9-1-1 Memorial Fund	$ 2,600	$ 2,600	0.0%
Borger Community Designated Fund	$ 7,199	$ 23,778	230.3%
Special Crimes Fund	$ 15,833	$ 18,329	15.8%
Total Special Revenue Fund Balances	**$ 1,605,688**	**$ 2,643,990**	**64.7%**
Total Primary Government Fund Balance	**$ 9,469,270**	**$ 10,008,781**	**5.7%**

FY 2016 - 17	change (%)	FY 2017 - 18	change (%)	FY 2018 - 19	change (%)
$ 3,698,148	3.2%	$ 3,749,141	1.4%	$ 3,724,523	-0.7%
$ 3,698,148	**3.2%**	**$ 3,749,141**	**1.4%**	**$ 3,724,523**	**-0.7%**
$ 3,590,571	21.2%	$ 4,571,911	27.3%	$ 5,278,230	15.4%
$ 363,704	-1.8%	$ 364,384	0.2%	$ 344,465	-5.5%
$ 3,954,275	**18.7%**	**$ 4,936,295**	**24.8%**	**$ 5,622,695**	**13.9%**
$ 455,888	1.6%	$ 258,254	-43.4%	$ 218,372	-15.4%
$ 455,888	**1.6%**	**$ 258,254**	**-43.4%**	**$ 218,372**	**-15.4%**
$ 378,739	8.7%	$ 1,235,486	226.2%	$ 1,216,258	-1.6%
$ 31,361	43.1%	$ 31,361	0.0%	$ 31,361	0.0%
$ 22,181	705.7%	$ 17,275	-22.1%	$ 16,117	-6.7%
$ 1,136	2.3%	$ 1,136	0.0%	$ 1,136	0.0%
$ 254,274	-4.2%	$ 286,882	12.8%	$ 313,113	9.1%
$ 3,131	0.0%	$ 3,131	0.0%	$ 3,131	0.0%
$ 58,978	-3.4%	$ 48,067	-18.5%	$ 51,110	6.3%
$ 199,284	-28.5%	$ 273,816	37.4%	$ 239,710	-12.5%
$ 8,282		$ 6,282	-24.1%	$ 6,282	0.0%
$ 6,103	0.7%	$ 6,196	1.5%	$ 6,196	0.0%
$ 5,664	-26.2%	$ 3,503	-38.2%	$ 4,516	28.9%
$ -		$ -		$ -	
$ 1,600,636	-0.2%	$ -	-100.0%	$ -	
$ -	-100.0%	$ -		$ -	
$ 26,280	10.5%	$ 98,507	274.8%	$ 98,507	0.0%
$ 16,585	-9.5%	$ 14,186	-14.5%	$ 14,186	0.0%
$ 2,612,634	**-1.2%**	**$ 2,025,828**	**-22.5%**	**$ 2,001,623**	**-1.2%**
$ 10,720,945	**7.1%**	**$ 10,969,518**	**2.3%**	**$ 11,567,213**	**5.4%**

City of Borger, Texas
Changes in Governmental Fund Balance Comparison

	FY 2014 - 15	FY 2015 - 16	change (%)	FY 2016 - 17
Revenues				
Taxes				
Property	$ 3,896,823	$ 4,122,589	5.8%	$ 4,007,813
Sales	$ 3,305,272	$ 3,327,951	0.7%	$ 3,272,210
Franchise	$ 1,002,294	$ 888,919	-11.3%	$ 913,539
Occupance	$ 456,305	$ 421,974	-7.5%	$ 360,702
Other	$ 22,228	$ 10,661	-52.0%	$ 11,196
Payments in Lieu of Property Taxes	$ -	$ -		$ -
Chargers for Service	$ 4,473,416	$ 4,615,672	3.2%	$ 5,773,013
Penalties, Fines and Forfeitures	$ 439,660	$ 202,629	-53.9%	$ 235,699
Licenses, Fees and Permits	$ 40,866	$ 23,591	-42.3%	$ 27,503
Intergovernmetnal Grants and Subsidies	$ 186,731	$ 601,922	222.3%	$ 207,262
Other Grants and Contributions	$ 167,162	$ 222,677	33.2%	$ 100,034
Investment Income	$ 11,125	$ 49,716	346.9%	$ 59,687
Other Inceom	$ 91,775	$ 51,725	-43.6%	$ 58,050
Total Governmental Revenues	**$ 14,093,657**	**$ 14,540,026**	**3.2%**	**$ 15,026,708**
Expenditures				
General Government				
Administration	$ 299,438	$ 281,972	-5.8%	$ 323,830
Information Systems	$ 59,171	$ 62,003	4.8%	$ 78,825
Fleet Services	$ 271,435	$ 224,182	-17.4%	$ 253,541
Engineering	$ 107,868	$ 102,897	-4.6%	$ 114,831
Facilities Maintenance	$ 343,473	$ 451,185	31.4%	$ 329,176
Planning and Zoning	$ 459,609	$ 470,639	2.4%	$ 467,027
Total	$ 1,540,994	$ 1,592,878	3.4%	$ 1,567,230
Public Safety				
Animal Control	$ 219,658	$ 188,130	-14.4%	$ 226,882
Code Enforcement	$ 254,687	$ 267,977	5.2%	$ 284,208
Central Dispatch	$ 604,262	$ 550,164	-9.0%	$ 574,079
Police	$ 2,663,946	$ 2,621,491	-1.6%	$ 2,809,559
Fire and Fire Prevention	$ 2,154,583	$ 2,318,292	7.6%	$ 2,755,659
Emergency Management	$ 196,875	$ 255,061	29.6%	$ 190,418
Municipal Court	$ 491,460	$ 503,192	2.4%	$ 515,413
Total	$ 6,585,471	$ 6,704,307	1.8%	$ 7,356,218
Public Works				
General	$ 263,013	$ 173,314	-34.1%	$ 144,969
Streets	$ 771,723	$ 947,576	22.8%	$ 828,860
Sanitation	$ 537,246	$ 629,659	17.2%	$ 642,986
Solid Waste Transfer Station	$ 1,212,190	$ 1,245,733	2.8%	$ 1,338,066
Recycling	$ 155,203	$ 26,147	-83.2%	$ 5,657
Total	$ 2,939,375	$ 3,022,429	2.8%	$ 2,960,538
Culture and Recreation				
Youth, Community and Recreation Centers	$ 553,558	$ 497,517	-10.1%	$ 528,158
Parks	$ 619,244	$ 696,555	12.5%	$ 781,670
Total	$ 1,172,802	$ 1,194,072	1.8%	$ 1,309,828
Economic Develeopment & Tourism	$ 133,492	$ 286,614	114.7%	$ 295,851
Capital Outlay				
Capital Purchases	$ 1,309,384	$ 3,650,882	178.8%	$ 2,736,142
Debt Service				
Principal and Interest	$ 1,078,397	$ 1,327,560	23.1%	$ 1,320,847
Administrative Fees	$ 1,250	$ 1,250	0.0%	$ 400
Total Expenditures	$ 14,761,165	$ 17,779,992	20.5%	$ 17,547,054
Excess (Deficit) of Revenues over Expenditures	$ (667,508)	$ (3,239,966)	385.4%	$ (2,520,346)
Other Financing Sources (Uses)				
Revenue from Issued Certificates of Obligation	$ -	$ 3,900,000		$ -
Transfers Out	$ (572,594)	$ (1,322,224)	130.9%	$ (816,127)
Transfers In	$ 1,180,194	$ 2,572,223	117.9%	$ 1,743,360
Total Other Financing Sources (Uses)	$ 607,600	$ 5,149,999	747.6%	$ 927,233
Net change in fund balances	**$ (59,908)**	**$ 1,910,033**	**-3288.3%**	**$ (1,593,113)**
Debt Service percentage of noncapital expenditures	9%	10%		10%

change (%)	FY 2017 - 18	change (%)	FY 2018 - 19	change (%)
-2.8%	$ 4,022,219	0.4%	$ 3,956,593	-1.6%
-1.7%	$ 3,107,365	-5.0%	$ 3,277,059	5.5%
2.8%	$ 925,750	1.3%	$ 834,424	-9.9%
-14.5%	$ 311,594	-13.6%	$ 319,119	2.4%
5.0%	$ 20,918	86.8%	$ 44,788	114.1%
	$ -		$ 3,192,038	
25.1%	$ 5,723,836	-0.9%	$ 2,902,352	-49.3%
16.3%	$ 195,171	-17.2%	$ 208,632	6.9%
16.6%	$ 42,486	54.5%	$ 53,696	26.4%
-65.6%	$ 200,390	-3.3%	$ 208,110	3.9%
-55.1%	$ 114,918	14.9%	$ 61,933	-46.1%
20.1%	$ 120,139	101.3%	$ 183,447	52.7%
12.2%	$ 44,961	-22.5%	$ 74,060	64.7%
3.3%	**$ 14,829,747**	**-1.3%**	**$ 15,316,251**	**3.3%**
14.8%	$ 433,900	34.0%	$ 526,585	21.4%
27.1%	$ 78,922	0.1%	$ 92,109	16.7%
13.1%	$ 235,823	-7.0%	$ 261,500	10.9%
11.6%	$ 97,541	-15.1%	$ 112,838	15.7%
-27.0%	$ 278,587	-15.4%	$ 232,165	-16.7%
-0.8%	$ 486,835	4.2%	$ 597,509	22.7%
-1.6%	$ 1,611,608	2.8%	$ 1,822,706	13.1%
20.6%	$ 234,777	3.5%	$ 234,416	-0.2%
6.1%	$ 225,845	-20.5%	$ 280,117	24.0%
4.3%	$ 592,357	3.2%	$ 647,557	9.3%
7.2%	$ 2,991,616	6.5%	$ 3,134,488	4.8%
18.9%	$ 2,548,766	-7.5%	$ 2,749,758	7.9%
-25.3%	$ 201,458	5.8%	$ 108,450	-46.2%
2.4%	$ 520,405	1.0%	$ 571,246	9.8%
9.7%	$ 7,315,224	-0.6%	$ 7,726,032	5.6%
-16.4%	$ 241,056	66.3%	$ 223,155	-7.4%
-12.5%	$ 785,769	-5.2%	$ 793,241	1.0%
2.1%	$ 604,759	-5.9%	$ 1,834,282	203.3%
7.4%	$ 1,185,006	-11.4%	$ -	-100.0%
-78.4%	$ 2,558	-54.8%	$ 5,787	126.2%
-2.0%	$ 2,819,148	-4.8%	$ 2,856,465	1.3%
	$ 524,908	-0.6%	$ 610,400	16.3%
12.2%	$ 724,053	-7.4%	$ 750,469	3.6%
9.7%	$ 1,248,961	-4.6%	$ 1,360,869	9.0%
3.2%	$ 252,221	-14.7%	$ 363,742	44.2%
-25.1%	$ 1,578,026	-42.3%	$ 1,334,822	-15.4%
-0.5%	$ 954,431	-27.7%	$ 955,419	0.1%
-68.0%	$ 1,300	225.0%	$ 1,300	0.0%
-1.3%	$ 15,780,919	-10.1%	$ 16,421,355	4.1%
-22.2%	$ (951,172)	-62.3%	$ (1,105,104)	16.2%
	$ -		$ -	
	$ (1,780,294)	118.1%	$ (771,096)	-56.7%
-32.2%	$ 2,623,653	50.5%	$ 2,748,976	4.8%
-82.0%	$ 843,359	-9.0%	$ 1,977,880	134.5%
-183.4%	**$ (107,813)**	**-93.2%**	**$ 872,776**	**909.5%**
	7%		7%	

CITY OF BORGER, TEXAS
Tax Revenue by Source

Fiscal Year	Property	Sales & Use	Franchise	Occupancy	Payments in Lieu of Taxes*	Other	**Total**
2015	$ 3,896,823	$ 3,305,272	$ 1,002,294	$ 456,305	$ -	$ 22,228	**$ 8,682,922**
2016	$ 4,122,589	$ 3,327,951	$ 888,919	$ 421,974	$ -	$ 10,661	**$ 8,772,094**
2017	$ 4,007,813	$ 3,272,210	$ 913,539	$ 360,702	$ -	$ 11,196	**$ 8,565,460**
2018	$ 4,022,219	$ 3,107,365	$ 925,750	$ 311,594	$ -	$ 20,918	**$ 8,387,846**
2019	$ 3,956,593	$ 3,277,059	$ 834,424	$ 319,119	$ 3,192,038	$ 44,788	**$ 11,624,021**

* Prior to FY 2019, Payments in Lieu of Taxes w ere categorized as Charges for Service.

CITY OF BORGER, TEXAS
Direct and Overlapping Property Tax Rates
(Rate per $100 of Assessed Value)

	City Direct Rates			Overlapping Rates			
Tax Year	Operating & Maintenance	General Obligation Debt Service	Total Direct Rate	Hutchinson County	Borger Independent School District	Hutchinson County Hospital District	Frank Phillips College District
2015	0.590524	0.269476	0.860000	0.500000	1.310000	0.099881	0.220000
2016	0.596240	0.267250	0.863490	0.520000	1.300000	0.097286	0.220000
2017	0.647575	0.215915	0.863490	0.540000	1.452900	0.099903	0.220000
2018	0.666304	0.197186	0.863490	0.580000	1.452900	0.100000	0.220000
2019	0.673450	0.190040	0.863490	0.595000	1.310000	0.100000	0.220000

CITY OF BROGER, TEXAS
Schedule of Property Tax Levies and Collections
September 30, 2019

			Collections			
Tax Year	Net Taxable Assessed Valuation	Taxes Levied	Current Amount	Current %	Collections in Subsequent Years	Total %
2009-10	$ 420,299,330	$ 2,587,405	$ 2,466,832	95.34%	$ 79,433	98.41%
2010-11	$ 348,602,430	$ 3,079,496	$ 2,903,965	94.30%	$ 78,219	96.84%
2011-12	$ 358,721,460	$ 3,298,393	$ 3,149,306	95.48%	$ 113,135	98.91%
2012-13	$ 379,315,640	$ 3,468,425	$ 3,342,174	96.36%	$ 107,521	99.46%
2013-14	$ 398,867,470	$ 3,768,196	$ 3,647,991	96.81%	$ 122,466	100.06%
2014-15	$ 402,010,800	$ 3,878,753	$ 3,737,566	96.36%	$ 107,054	99.12%
2015-16	$ 425,564,540	$ 4,088,279	$ 3,959,089	96.84%	$ 126,737	99.94%
2016-17	$ 412,900,110	$ 4,046,263	$ 3,874,701	95.76%	$ 88,613	97.95%
2017-18	$ 408,556,790	$ 4,033,826	$ 3,858,355	95.65%	$ 139,974	99.12%
2018-19	$ 420,210,330	$ 4,009,606	$ 3,821,555	95.31%	$ 109,863	98.05%

CITY OF BORGER, TEXAS
Principal Property Tax Payers
Current Year vs. Ten Years Ago

	2019			2010		
	Taxable Value	Rank	Percent of Taxable Value	Taxable Value	Rank	Percent of Taxable Value
SPS	$ 10,659,000	1	2.54%	$ 5,055,560	1	1.23%
Walmart	$ 7,380,760	2	1.76%	$ 3,270,120	4	0.79%
Walmart Real Estate	$ 6,688,420	3	1.59%	$ -		
Amarillo National Bank	$ 4,951,810	4	1.18%	$ 4,866,760	2	1.18%
Panhandle Northern	$ 4,722,160	5	1.12%	$ 1,978,870	11	0.48%
RS2 Hotels, LLC	$ 4,593,890	6	1.09%	$ 2,533,000	8	0.61%
P&B Senior Living Group	$ 4,395,950	7	1.05%	$ -		
Country Chevrolet	$ 4,161,470	8	0.99%	$ -		
Texas Gas Service	$ 3,195,110	9	0.76%	$ 1,736,920	14	0.42%
GPCH	$ 3,020,930	10	0.72%	$ 3,575,110	3	0.87%
United Supermarkets, LLC	$ 2,793,770	11	0.66%	$ 1,913,800	12	0.46%
United Rentals	$ 2,415,560	12	0.57%	$ -		
Morton Lumber	$ 2,342,950	13	0.56%	$ -		
Borger Properties, Inc.	$ 2,146,480	14	0.51%	$ 2,332,730	10	0.57%
Nexoil	$ 2,071,440	15	0.49%	$ 2,639,400	7	0.64%
Total:	$ 65,539,700		15.59%	$ 29,902,270		7.25%

* Texas Comptroller of Public Accounts

CITY OF BROGER, TEXAS
Pledged-Revenue Coverage

Water and Sewer Revenue Bonds

Fiscal Year	W/S Operating Revenues	W/S Operating Expenses	Net Available Revenue	Debt Service	Coverage
2009-10	$ 5,946,698	$ 4,811,596	$ 1,135,102	$ 895,458	1.27
2010-11	$ 7,240,812	$ 4,871,741	$ 2,369,071	$ 964,193	2.46
2011-12	$ 7,693,079	$ 5,040,676	$ 2,652,403	$ 1,233,777	2.15
2012-13	$ 7,671,793	$ 5,413,712	$ 2,258,081	$ 1,326,482	1.70
2013-14	$ 7,952,599	$ 5,796,249	$ 2,156,350	$ 1,314,488	1.64
2014-15	$ 8,708,853	$ 5,841,133	$ 2,867,720	$ 3,910,730	0.73
2015-16	$ 9,716,037	$ 5,911,815	$ 3,804,222	$ 3,856,090	0.99
2016-17	$ 10,119,435	$ 6,668,809	$ 3,450,626	$ 3,861,342	0.89
2017-18	$ 10,538,201	$ 7,174,309	$ 3,363,892	$ 3,875,666	0.87
2018-19	$ 11,500,365	$ 7,121,508	$ 4,378,857	$ 3,409,911	1.28

CITY OF BROGER, TEXAS
Ratios of Outstanding Debt
September 30, 2019

Tax Year	Governmental Activities: General Obligation Refunding Bonds	Governmental Activities: Certificates of Obligation	Business-type Activities: Certifications of Obligations	Business-type Activities: General Obligation Refunding Bonds	Business-type Activities: Water Authority Indebtedness
2014-15	$ -	$ 6,603,336	$ 36,910,000	$ -	$ 10,537,191
2015-16	$ 2,730,000	$ 7,464,704	$ 35,404,292	$ -	$ 9,785,485
2016-17	$ 2,285,000	$ 6,140,076	$ 35,024,953	$ -	$ 9,008,448
2017-18	$ 1,845,000	$ 5,842,881	$ 33,983,350	$ -	$ 7,992,820
2018-19	$ 1,395,000	$ 5,538,655	$ 32,840,452	$ -	$ 7,235,629

Tax Year	Total Primary Government	Percentage of Personal Income	Total Debt Per Capita	Total Property Tax Supported Debt Per Capita	% of Actual Appraised Value
2014-15	$ 54,050,527	18.51%	$ 4,164.46	$ 508.77	13%
2015-16	$ 55,384,481	18.54%	$ 4,309.07	$ 793.18	13%
2016-17	$ 52,458,477	18.02%	$ 4,115.36	$ 660.95	13%
2017-18	$ 49,664,051	17.41%	$ 3,935.03	$ 609.13	12%
2018-19	$ 47,009,736	N/A*	N/A*	N/A*	11%

*2019 Personal Income and Population Estimates not available at this time.

CITY OF BROGER, TEXAS
Direct and Overlappling Debt
September 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Direct & Overlapping
Debt Repaid with Property Taxes			
City of Borger	$ 6,933,655	100%	$ 6,933,655
Hutchinson County	$ -	19%	$ -
Borger Independent School District	$ 66,661,811	70%	$ 46,983,244
Hutchinson County Hospital District	$ -	16%	$ -
Frank Phillips College District	$ -	38%	$ -
			$ 53,916,899
Revenue Supported Debt			
City of Borger	$ 32,840,452.00	100%	$ 32,840,452.00
Hutchinson County	$ -	19%	$ -
Borger Independent School District	$ -	70%	$ -
Hutchinson County Hospital District	$ 24,910,000.00	16%	$ 4,030,438.00
Frank Phillips College District	$ 600,000.00	38%	$ 228,000.00
			$ 37,098,890.00
		Total Tax Supported Overlapping Debt:	**$ 46,983,244**
		Total Revenue Supported Overlapping Debt:	**$ 53,916,899**
		Total Direct and Overlappoing Debt:	**$ 100,900,144**

CITY OF BROGER, TEXAS
Demographic & Economic Statistics
September 30, 2019

Calendar Year	City of Borger Population	Hutchinson County Population	City of Borger Median Household Income	City of Borger Per capita Income	City of Borger School Enrollment	City of Borger Unemployment Rate
2010	13,324	22,094	$ 39,545	$ 19,482	3,685	4.6%
2011	13,156	22,088	$ 40,986	$ 20,705	3,745	4.9%
2012	13,136	21,992	$ 43,829	$ 21,321	3,904	5.0%
2013	13,065	21,986	$ 40,904	$ 21,534	3,845	5.0%
2014	13,059	21,947	$ 42,792	$ 22,909	3,488	3.8%
2015	12,979	21,858	$ 44,918	$ 22,499	3,507	3.1%
2016	12,853	21,782	$ 44,821	$ 23,243	3,465	2.3%
2017	12,747	21,704	$ 44,213	$ 22,836	3,190	3.6%
2018	12,621	21,571	$ 45,909	$ 22,605	3,290	4.2%
2019	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available

U.S. Census Bureau American Communities Survey

CITY OF BROGER, TEXAS
Full-time Employee Comparison

Department	2017 - 2018	2018 - 2019	Department	2017 - 2018	2018 - 2019
Administration	3	5	Police	36	36
Human Resources	1	1	Public Works	3	3
Finance	5	5	Solid Waste	15	15
Municipal Court	5	5	Parks	9	9
Fire Department	25	26	Street & Alley Maintenance	9	9
Central Dispatch	10	10	Vehicle Service Center	3	3
Planning & Development	2	4	Wastewater Treatment Plant	6	6
Code Enforcement	3	3	Water Treatment Plant	5	4
Information Technology	4	2	Water Maintenance	9	9
Johnson Park Youth Center	3	3	Wastewater Maintenance	7	7
Emergency Management	2	2	Utility Director	1	2
Utility Billing	7	6			
			General Government Total:	**173**	**175**

CITY OF BROGER, TEXAS
Principal Employers

2019	2018	2017	2016
Phillips66	Phillips66	Phillips66	Phillips66
Borger ISD	Borger ISD	Borger ISD	Borger ISD
CheveronPhillips	CheveronPhillips	CheveronPhillips	CheveronPhillips
Wal-Mart	Wal-Mart	Wal-Mart	Wal-Mart
Golden Plains Hospital	Golden Plains Hospital	Golden Plains Hospital	Golden Plains Hospital
City of Borger	City of Borger	City of Borger	City of Borger
Orion Engineered Carbons	Orion Engineered Carbons	Orion Engineered Carbons	Orion Engineered Carbons
Tokai Carbon	Sid Richardson Carbons	Sid Richardson Carbons	Sid Richardson Carbons
Nutrien	Conner Industries	Conner Industries	Conner Industries
Solvay Specialty Polymers	Nutrien	Nutrien	Nutrien

2015	2014	2014	2013
Phillips66	Phillips66	Phillips66	Phillips66
Borger ISD	Borger ISD	Borger ISD	Borger ISD
CheveronPhillips	CheveronPhillips	CheveronPhillips	CheveronPhillips
Wal-Mart	Wal-Mart	Wal-Mart	Wal-Mart
Golden Plains Hospital	Golden Plains Hospital	Golden Plains Hospital	Golden Plains Hospital
City of Borger	City of Borger	City of Borger	City of Borger
Orion Engineered Carbons	Orion Engineered Carbons	Orion Engineered Carbons	Orion Engineered Carbons
Sid Richardson Carbons	Sid Richardson Carbons	Sid Richardson Carbons	Sid Richardson Carbons
Conner Industries	Conner Industries	Conner Industries	Conner Industries
Nutrien	Nutrien	Nutrien	Nutrien

2012	2011	2011	2010
ConocoPhillips	ConocoPhillips	ConocoPhillips	ConocoPhillips
Borger ISD	Borger ISD	Borger ISD	Borger ISD
CheveronPhillips	CheveronPhillips	CheveronPhillips	CheveronPhillips
Wal-Mart	Wal-Mart	Wal-Mart	Wal-Mart
Golden Plains Hospital	Golden Plains Hospital	Golden Plains Hospital	Golden Plains Hospital
City of Borger	City of Borger	City of Borger	City of Borger
Orion Engineered Carbons	Orion Engineered Carbons	Orion Engineered Carbons	Orion Engineered Carbons
Sid Richardson Carbons	Sid Richardson Carbons	Sid Richardson Carbons	Sid Richardson Carbons
Conner Industries	Conner Industries	Conner Industries	Conner Industries
Nutrien	Nutrien	Nutrien	Nutrien

Compliance Information

Anderson Hill, LLP

Anderson Hill, LLP 2732 82nd Street, Suite B / Lubbock, TX 79424
main 806.771.4000 fax 806.771.4005

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and
Members of the City Council
City of Borger, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Borger, Texas (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 19, 2020. Our report includes a reference to other auditors who audited the financial statements of the Borger Economic Development Corporation, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Mayor and
Members of the City Council
City of Borger, Texas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson Hill, LLP

Lubbock, Texas
May 19, 2020

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APPENDIX E

Form of Opinion of Bond Counsel

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San Antonio, Texas 78205
United States

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Fax +1 210 270 7205
nortonrosefulbright.com

August 4, 2021

FINAL

IN REGARD to the authorization and issuance of the "City of Borger, Texas Venue Project Revenue Bonds (Combined Venue Tax), Series 2021" (the *Bonds*), dated July 1, 2021 in the aggregate principal amount of $2,040,000, we have reviewed the legality and validity of the issuance thereof by the City Council of the City of Borger, Texas (the *Issuer*). The Bonds are issuable in fully registered form only in denominations of $5,000 or any integral multiple of thereof (within a Stated Maturity). The Bonds have Stated Maturities of August 1 in each of the years 2022 through 2030, August 1, 2035, and August 1, 2046, unless optionally or mandatorily redeemed prior to Stated Maturity in accordance with the terms stated on the face of the Bonds. Interest on the Bonds accrues from the dates, at the rates, in the manner, and is payable on the dates, all as provided in the ordinance (the *Ordinance*) authorizing the issuance of the Bonds. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Ordinance.

WE HAVE SERVED AS BOND COUNSEL for the Issuer solely to pass upon the legality and validity of the issuance of the Bonds under the laws of the State of Texas and with respect to the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes and for no other purpose. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer and have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Bonds. We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Bonds. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

WE HAVE EXAMINED, the applicable and pertinent laws of the State of Texas and the United States of America. In rendering the opinions herein we rely upon (1) original or certified copies of the proceedings of the City Council of the Issuer in connection with the issuance of the Bonds, including the Ordinance; (2) customary certifications and opinions of officials of the Issuer; (3) certificates executed by officers of the Issuer relating to the expected use and investment of proceeds of the Bonds and certain other funds of the Issuer and to certain other facts solely within the knowledge and control of the Issuer; and (4) such other documentation, including an examination of the Certificate executed and delivered initially by the Issuer and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements and information contained in such certificates. We express no opinion concerning any effect on the following opinions which may result from changes in law effected after the date hereof.

BASED ON OUR EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized and issued in conformity with the laws of the State of Texas now in force and that the Bonds are valid and legally binding obligations of the Issuer enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. The Bonds are payable from a first and prior lien on and pledge of the Pledged Revenues, being a first and prior lien on and pledge of the Property Tax Revenues, a first and prior lien on and pledge of the Hotel Occupancy Tax Revenues, a first and prior lien on and pledge of the Admissions Tax Revenues, and a lien on and pledge of such other money, income, and revenues held in the Construction Account of the Venue Project Fund all as set forth in the Ordinance. In the Ordinance, the Issuer retains the right to issue subordinate lien obligations secured in whole or in part by a lien on and pledge of the Subordinate Pledged Revenues without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise.

BASED ON OUR EXAMINATION, IT IS FURTHER OUR OPINION that, assuming continuing compliance after the date hereof by the Issuer with the provisions of the Ordinance and in reliance upon the representations and certifications of the Issuer made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, under existing statutes, regulations, published rulings, and court decisions (1) interest on the Bonds will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the *Code*), of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code, and (2) interest on the Bonds will not be included in computing the alternative minimum taxable income of the owners thereof.

WE EXPRESS NO OTHER OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective.

Legal Opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, in connection with the authorization and issuance of "CITY OF BORGER, TEXAS VENUE PROJECT REVENUE BONDS (COMBINED VENUE TAX), SERIES 2021"

Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

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APPENDIX F

Form of Municipal Bond Insurance Policy

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Financial Advisory Services
Provided By:

SAMCO Capital