

**OFFICIAL NOTICE OF SALE, BID FORM  
and  
PRELIMINARY OFFICIAL STATEMENT**



**CITY OF ENNIS, TEXAS**  
**(A Political Subdivision of the State of Texas Located in Ellis County, Texas)**

**\$40,000,000\***  
**Combination Tax and Limited Pledge Revenue**  
**Certificates of Obligation,**  
**Series 2024**

**Bids Due**  
**Tuesday, August 6, 2024**  
**at**  
**11:00 A.M., Central Daylight Time**

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\*Preliminary, subject to change based on bid structures. See "THE CERTIFICATES – ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE CERTIFICATES" in the Official Notice of Sale Relating to the Certificates.

*This Official Notice of Sale does not alone constitute an invitation for bids but is merely notice of sale of the Certificates described herein. The invitation for bids on such Certificates is being made by means of this Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement.*

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**OFFICIAL NOTICE OF SALE**

**\$40,000,000\***

**CITY OF ENNIS, TEXAS**

**COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024**

**Dated: July 30, 2024**

**CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BID:** The City Commission of the City of Ennis, Texas (the "City" or "Issuer") is offering for sale at competitive bid \$40,000,000\* Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024 (the "Certificates").

Bidders must submit bids for the Certificates electronically by internet as described below in "BIDS BY INTERNET".

**BIDS BY INTERNET:** Interested bidders may, at their option and risk, submit their bid by electronic media, as described below, by 11:00 A.M., Central Daylight Time ("CDT"), on August 6, 2024. Bidders submitting a bid by internet **shall not be required to submit signed Official Bid Forms prior to the award.** Any prospective bidder that intends to submit an electronic bid must submit its electronic bid via the facilities of the i-Deal, LLC Parity System ("PARITY") and should, as a courtesy, register with PARITY by no later than 9:00 A.M., CDT, on August 6, 2024 indicating their intent to submit a bid by internet.

In the event of a malfunction in the electronic bidding process, bidders may submit their bids by email to [mmcliney@samcocapital.com](mailto:mmcliney@samcocapital.com). If there is a malfunction of the electronic bidding process and a bidder submits a bid via an email, please call 210-832-9760 to notify the Financial Advisor of the incoming bid. Any bid received after the scheduled time for their receipt will not be accepted.

The official time for the receipt of bids shall be the time maintained by PARITY (or by the financial advisor if there is a problem with the electronic bidding system). All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale, the Official Bid Form, and the Preliminary Official Statement. To the extent that any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about the PARITY System, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone 212-849-5021.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Certificates on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of PARITY, the use of such facilities being the sole risk of the prospective bidder.

**OPENING OF BIDS:** Bids will be opened and publicly read at 11:00 A.M., Central Daylight Time, on Tuesday, August 6, 2024, following which the bids will be evaluated by SAMCO Capital Markets, Inc. (the "Financial Advisor") and the City Commission shall provide final approval of the award at a City Commission meeting later that evening. The Mayor of the City or his representative shall award the Certificates as described in the section entitled "AWARD AND SALE OF THE CERTIFICATES" below.

**AWARD AND SALE OF THE CERTIFICATES:** By 12:00 P.M. Noon, Central Daylight Time, on the date set for receipt of bids, the Mayor of the City or his representative shall tentatively award the Certificates to the **low qualified bidder (the "Winning Bidder")**, as described in the section entitled "CONDITIONS OF SALE – Basis of Award" herein **subject to final approval of the City Commission which will take action to adopt an ordinance (the "Ordinance")** authorizing the issuance and awarding sale of the Certificates or will reject all bids promptly at a scheduled meeting to commence at 6:00 P.M. Central Daylight Time on Tuesday, August 6, 2024. The City reserves the right to reject any or all bids and to waive any irregularities, except time of filing.

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\* Preliminary, subject to change. See "ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS" herein.

## THE CERTIFICATES

**DESCRIPTION OF CERTAIN TERMS OF THE CERTIFICATES:** The Certificates will be dated August 1, 2024 (the "Dated Date") and interest on the Certificates shall accrue from the Dated Date and will be payable initially on February 1, 2025, and semiannually on each August 1 and February 1 thereafter until maturity or prior redemption. The Certificates will be issued as fully-registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository (the "Securities Depository"). Book-entry interests in the Certificates will be made available for purchase in the principal amount of \$5,000 or any integral multiple thereof within a stated maturity. Purchasers of the Certificates ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Certificates purchased. So long as DTC or its nominee is the registered owner of the Certificates, the principal of and interest on the Certificates will be payable by the Paying Agent/Registrar, initially BOKF, NA, Dallas, Texas, to the Securities Depository, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Certificates. (See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.)

### MATURITY SCHEDULE

The Certificates will be stated to mature on February 1 in each of the following years in the following amounts:

<u>Stated Maturity</u>	<u>Principal Amount*</u>	<u>Stated Maturity</u>	<u>Principal Amount*</u>
2025	\$ 325,000	2035	\$ 2,005,000
2026	1,845,000	2036	2,090,000
2027	1,405,000	2037	2,185,000
2028	1,465,000	2038	2,290,000
2029	1,535,000	2039	2,395,000
2030	1,600,000	2040	2,500,000
2031	1,675,000	2041	2,610,000
2032	1,755,000	2042	2,735,000
2033	1,830,000	2043	2,855,000
2034	1,915,000	2044	2,985,000

**ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE CERTIFICATES:** The City reserves the right to increase or decrease the principal (maturity) amount of any maturity of the Certificates, including the elimination of a maturity or maturities; provided, however, that the aggregate principal (denominational) amount of the Certificates shall not exceed \$40,000,000. Notice of any such changes shall be given to the successful bidder as soon as practicable following the notification of award, as described below, and this Notice of Sale may be amended at the sole discretion of the City to reflect such increase or decrease. The City will attempt to maintain total per bond underwriter spread when adjusting maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined. The successful bidder may not withdraw its bids or change the rates bid or any initial reoffering prices as a result of any changes made to the principal (denominational) amounts.

**SERIAL CERTIFICATES AND/OR TERM CERTIFICATES:** Bidders may provide that all of the Certificates be issued as serial maturities or may provide that any two or more consecutive annual principal amounts be combined into one or more term certificates, not to exceed five term certificates (the "Term Certificates").

**MANDATORY SINKING FUND REDEMPTION:** If the successful bidder designates principal amounts to be combined into one or more "Term Certificates", each such Term Certificate will be subject to mandatory sinking fund redemption commencing on February 1 of the first year which has been combined to form such Term Certificate and continuing on February 1 in each year thereafter until the stated maturity date of that Term Certificate. The amount redeemed in any year will be equal to the principal amount for such year set forth in the table under the caption "THE CERTIFICATES - Maturity Schedule" on page ii of the Notice of Sale. Certificates to be redeemed in any year by mandatory sinking fund redemption will be redeemed at par and will be selected by lot from among the Certificates then subject to such mandatory sinking fund redemption.

The principal amount of the Term Certificates of a stated maturity required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of Term Certificates of like stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, 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 at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase or (3) shall have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory redemption requirement.

\* Preliminary, subject to change. See "ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS" herein.

The Official Statement will incorporate the mandatory redemption provisions for the Certificates in the event the successful bidder elects to convert serial maturities into one or more Term Certificates.

**OPTIONAL REDEMPTION:** The City reserves the right, at its option, to redeem Certificates maturing on or after February 1, 2034, in whole or in part, in principal amount of \$5,000 or any integral multiple thereof, on February 1, 2033, or any date thereafter, at the redemption price of par plus accrued interest to the date of the redemption as further described in the Preliminary Official Statement.

**AUTHORITY FOR ISSUANCE AND SECURITY FOR PAYMENT:** The Certificates are being issued pursuant to the Constitution and laws of the State of Texas (the "State"), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Chapter 1502, as amended, an ordinance (the "Ordinance") to be adopted by the City Commission, and the City's Home Rule Charter. (See "THE CERTIFICATES - Authority for Issuance" in the Preliminary Official Statement.)

The Certificates constitute direct obligations of the Issuer payable from a combination of the levy and collection of an annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and further secured by a limited pledge (not to exceed \$1,000) of the surplus Net Revenues derived from the operation of the City's combined Waterworks and Sewer System (the "System"). (See "THE CERTIFICATES - Security for Payment" in the Preliminary Official Statement.)

**PAYING AGENT/REGISTRAR:** The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas. In the Ordinance, the City covenants to provide a Paying Agent/Registrar at all times while the Certificates are outstanding, and any Paying Agent/Registrar selected by the City shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. The Paying Agent/Registrar will maintain the Security Register containing the names and addresses of the registered owners of the Certificates. In the Ordinance the City retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Issuer, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the Security Register to the successor Paying Agent/Registrar.

In the event there is a change in the Paying Agent/Registrar, the City has agreed to notify each registered owner of the Certificates then outstanding by United States mail, first-class postage prepaid, at the address in the Security Register, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

**BOOK-ENTRY-ONLY SYSTEM:** The City intends to utilize the Book-Entry-Only System of DTC, with respect to the issuance of the Certificates. (See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.)

**PRELIMINARY OFFICIAL STATEMENT AND OTHER TERMS AND COVENANTS IN THE ORDINANCE:** Further details regarding the Certificates and certain covenants of the City contained in the Ordinance are set forth in the Preliminary Official Statement to which reference is made for all purposes.

## CONDITIONS OF SALE

**TYPES OF BIDS AND INTEREST RATES:** The Certificates will be sold in one block on an "All or None" basis, and at a price of not less than their par value, plus accrued interest on the Certificates from the Dated Date of the Certificates to the date of Initial Delivery (defined herein) of the Certificates. **No bid producing a cash premium on the Certificates that results in a dollar price of less than 101% will be considered; provided, however, that any bid is subject to adjustment as described under the caption "ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS".** Bidders are invited to name the rate(s) of interest to be borne by the Certificates, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest for the Certificates (calculated in the manner required by Texas Government Code, Chapter 1204, as amended) must not exceed 15%. **The highest rate bid may not exceed the lowest rate bid by more than 200 basis points (or 2% in rate). No limitation is imposed upon bidders as to the number of rates or changes which may be used.** All Certificates of one stated maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

**BASIS OF AWARD:** The sale of the Certificates will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest **True Interest Cost** rate to the Issuer (the "Purchaser" or the "Initial Purchaser"). The True Interest Cost rate is that rate which, when used to compute the total present value as of the Dated Date of all debt service payments on the Certificates on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Certificates plus the premium any (but not interest accrued from the Dated Date to the date of their delivery). In the event of a bidder's error in interest cost rate calculation, the interest rates, and premium, if any, set forth in the Official Bid Form will be considered as the intended bid.

In order to provide the City and its consultants with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Initial Purchaser will be required to provide the City (on or before the 10th business day prior to the delivery of the Certificates) with a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

**ESTABLISHING THE ISSUE PRICE FOR THE CERTIFICATES:** The Issuer intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of municipal bonds), which require, among other things, that the Issuer receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirement").

In the event that the bidding process does not satisfy the Competitive Sale Requirement as communicated by the Municipal Advisor to the winning bidder by 3:00 p.m., Bids will not be subject to cancellation and the winning bidder (i) agrees to promptly report to the Issuer the first prices at which at least 10% of each maturity of the Certificates (the "First Price Maturity") have been sold to the Public on the Sale Date (the "10% Test") (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the Certificates that does not satisfy the 10% Test ("Hold-the-Price Maturity"), as described below.

In order to provide the Issuer with information that enables it to comply with the establishment of the issue price of the Certificates under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the Issuer or to the Issuer's municipal advisor, SAMCO Capital Markets, Inc. (the "Issuer's Municipal Advisor") a certification as to the Certificates "issue price" (the "Issue Price Certificate") substantially in the form and to the effect attached hereto or accompanying this Notice of Sale, no later than 5 business days prior to the Closing Date if the Competitive Sale Requirement is satisfied or within 5 business days of the date on which the 10% Test is satisfied with respect to all of the First Price Maturities. In the event the winning bidder will not reoffer any maturity of the Certificates for sale to the Public (as defined herein) by the Closing Date, the Issue Price Certificate may be modified in a manner approved by the Issuer. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

For purposes of this section of this Notice of Sale:

(i) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to the Underwriter;

(ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public);

(iii) "Related Party" means any two or more persons (including an individual, trust, estate, partnership, association, company, or corporation) that are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) "Sale Date" means the date that the Certificates are awarded by the Issuer to the winning bidder.

All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Certificates may be taken on behalf of the Issuer by the Issuer's Municipal Advisor, and any notice or report to be provided to the Issuer may be provided to the Issuer's Municipal Advisor.

The Issuer will consider any bid submitted pursuant to this Notice of Sale to be a firm offer for the purchase of the Certificates, as specified in the bid and, if so stated, in the Official Bid Form.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Certificates to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Certificates of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the Public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Certificates to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Certificates to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold Certificates of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the Public, if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wire.

By submitting a bid, the winning bidder agrees, on behalf of each Underwriter participating in the purchase of the Certificates, that each Underwriter will neither offer nor sell any Hold-the-Price Maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of (1) the close of the fifth (5th) business day after the Sale Date; or (2) the date on which the Underwriters have sold at least 10% of that Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public. The winning bidder shall promptly advise the Issuer when the Underwriters have sold 10% of a Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

**ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS:** The City reserves the right to increase or decrease the principal (maturity) amount of any maturity of the Certificates, including the elimination of a maturity or maturities; provided, however, that the aggregate principal (denominational) amount of the Certificates shall not exceed \$40,000,000\*. Notice of any such changes shall be given to the successful bidder as soon as practicable following the notification of award, as described below, and this Notice of Sale may be amended at the sole discretion of the City to reflect such increase or decrease. The City will attempt to maintain total per bond underwriter spread when adjusting maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined. The successful bidder may not withdraw its bids or change the rates bid or any initial reoffering prices as a result of any changes made to the principal (denominational) amounts.

**GOOD FAITH DEPOSIT:** A bank cashier's check payable to the order of "City of Ennis, Texas" in the amount of \$800,000 which is 2% of the par value of the Certificates (the "Good Faith Deposit") is required. The Good Faith Deposit of the Initial Purchaser will be retained uncashed by the Issuer until the Certificates are delivered, and at that time it will be returned to the Initial Purchaser of the Certificates. The above-mentioned Good Faith Deposit may accompany the bid, or it may be submitted separately; however, if submitted separately, it shall be made available to the Issuer prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn which will authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. No interest will be paid or allowed on any Good Faith Deposit. The checks accompanying all other bids will be returned immediately after the bids are opened and the award of the sale of the Certificates has been made. In the event the Initial Purchaser should fail or refuse to take up and pay for the Certificates in accordance with its bid then said check shall be cashed and accepted by the City and shall constitute full and complete liquidated damages, **however if it is determined after the acceptance of its bid by the City that the Initial Purchaser was found not to satisfy the requirement described below under "FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT" and as a result the Texas Attorney General will not deliver its approving opinion of the Certificates, then said check shall be cashed and accepted by the City but shall not be the sole or exclusive remedy available to the City.**

**ADDITIONAL CONDITION OF AWARD — DISCLOSURE OF INTERESTED PARTY FORM:**

Described hereinafter is the obligation of the City to receive information from the winning bidder if the bidder is not a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity (a "Privately Held Bidder"). Pursuant to Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the City may not award the Certificates to a winning bidder which is a Privately Held Bidder unless such party submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the City as prescribed by the Texas Ethics Commission ("TEC"). In the event that a Privately Held Bidder's bid for the Certificates is the best bid received, the City, acting through its financial advisor, will promptly notify the winning Privately Held Bidder. That notification will serve as the City's conditional verbal acceptance of the bid, and will obligate the winning Privately Held Bidder to establish (unless such winning Privately Held Bidder has previously so established) an account with the TEC, and promptly file a completed Disclosure Form, as described below, in order to allow the City to complete the award.

Process for completing the Disclosure Form. Reference should be made to the Disclosure Form, the rules of the TEC with respect to the Disclosure Form (the "Disclosure Rules") and the Interested Party Disclosure Act. Instructional information regarding such matters are set forth at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm). For purposes of completing the Disclosure Form a Privately Held Bidder will need the following information: (a) item 2 – name of governmental entity: "City of Ennis, Texas" and (b) item 3 – the identification number assigned to this contract by the City: "City of Ennis, 2024 COs BPA", and a description of the services to be provided under the contract: Purchase of the City of Ennis, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024. The Interested Party Disclosure Act and the Disclosure Rules require Privately Held Bidders to complete the form at the TEC Internet "portal" that may be accessed at the URL set forth above, and then print, sign and deliver the Disclosure Form to the City at: [sbarnes@ennistx.gov](mailto:sbarnes@ennistx.gov), and CC the City's financial advisor at [MMcLiney@samcocapital.com](mailto:MMcLiney@samcocapital.com) and the City's bond counsel at [gschaecher@mphlegal.com](mailto:gschaecher@mphlegal.com).

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\* Preliminary, subject to change

Following the award of the Certificates, the City will acknowledge receipt of the completed Disclosure Form through the TEC website, as required by the law.

Preparations for completion, and the significance of, the reported information. In accordance with the Interested Party Disclosure Act, the information reported by the winning Privately Held Bidder must be declared by an authorized agent of the Privately Held Winning Bidder. No exceptions may be made to that requirement. The Interested Party Disclosure Act and the Disclosure Form provides that such acknowledgment is made “under penalty of perjury.” Consequently, a winning Privately Held Bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form. Time will be of the essence in submitting the form to the City, and no final award will be made by the City regarding the sale of the Certificates until a completed Disclosure Form is received. If applicable, the City reserves the right to reject any bid that does not satisfy the requirement of a completed Disclosure Form, as described herein. Neither the City nor its consultants have the ability to verify the information included in a Disclosure Form, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to (1) the bidder’s obligation to submit the Disclosure Form or (2) the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Certificates should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form, if required, promptly upon notification from the City that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC’s website at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm). are provided on the TEC’s website at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm).

**VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS:** The Issuer will not award the Certificates to a bidder unless the following verifications, representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the “Government Code”), are included in the bid. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Official Bid Form or Official Notice of Sale, notwithstanding anything in the Official Bid Form or Official Notice of Sale to the contrary.

- (i) **No Boycott of Israel (Texas Government Code Chapter 2271):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.
- (ii) **Not a Sanctioned Company (Texas Government Code Chapter 2252):** A bidder must represent that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- (iii) **No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.
- (iv) **No Boycott of Energy Companies (Texas Government Code Chapter 2276):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

**FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT:**

Each prospective bidder must have a standing letter on file with the Texas Attorney General’s Office in the form required by the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (collectively, the “All Bond Counsel Letter”). In submitting a bid, a bidder represents to the City that it has filed a standing letter in the form included in the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the City may not be entitled to rely on the standing letter on file with the Texas Attorney General’s Office. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Certificates unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.



The City will not accept a bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Certificates. If requested by the City, the bidder agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications (defined below), as of the Delivery Date or such other date requested by the City including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

**THE CITY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT THE BID OF ANY BIDDER FOR ANY REASON. BY SUBMITTING A BID, EACH BIDDER AGREES, SHOULD IT BE THE WINNING BIDDER, TO COOPERATE WITH THE CITY AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW. Unless otherwise publicly available on the Municipal Advisory Council of Texas' website, the bidder shall submit a courtesy copy of its standing letter in connection with the submission of its bid.**

To the extent the bidder and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the City reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE - Good Faith Deposit"). **THE LIABILITY OF THE BIDDER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH CHAPTERS 2252, 2271, 2274, AND 2276, TEXAS GOVERNMENT CODE, AS AMENDED (COLLECTIVELY, THE "COVERED VERIFICATIONS") SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THIS OFFICIAL NOTICE OF SALE OR THE OFFICIAL BID FORM. ADDITIONALLY, THE CITY RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS.**

**IMPACT OF BIDDING SYNDICATE ON AWARD:** For purposes of contracting for the sale of the Certificates, the entity signing the bid form as Purchaser shall be solely responsible for the payment of the purchase price of the Certificates. Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the City is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

#### **OFFICIAL STATEMENT**

To assist the Initial Purchaser in complying with Rule 15c2-12 of the Securities and Exchange Commission ("SEC"), the Issuer and the Initial Purchaser contract and agree, by the submission and acceptance of the winning bid, as follows:

**COMPLIANCE WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION:** The Issuer has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Certificates, but does not presently intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the Issuer deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of Rule 15c2-12 of the SEC (the "Rule"), except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Initial Purchaser and other similar information, terms and provisions to be specified in the competitive bidding process. The Initial Purchaser shall be responsible for promptly informing the Issuer of the initial offering yields of the Certificates.

Thereafter, the Issuer will complete and authorize distribution of the Official Statement identifying the Initial Purchaser and containing such omitted information. The Issuer does not intend to amend or supplement the Preliminary Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the Issuer intends the same to be final as of such date, within the meaning of the Rule. Notwithstanding the foregoing, the Issuer makes no representation concerning the absence of material misstatements or omissions from the Preliminary Official Statement, except only as and to the extent under "CERTIFICATION OF THE OFFICIAL STATEMENT" as described below. To the best knowledge and belief of the Issuer, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Certificates.

**CONTINUING DISCLOSURE AGREEMENT:** The City will agree in the Ordinance to provide certain periodic information and notices of material events in accordance with the Rule, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The Initial Purchaser's obligation to accept and pay for the Certificates is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Ordinance containing the agreement described under such heading.

**COMPLIANCE WITH PRIOR UNDERTAKINGS:** During the last five years, the Issuer has complied in all material respects with its previous continuing disclosure agreements made pursuant to the Rule.

**OFFICIAL STATEMENT:** The Issuer will furnish to the Initial Purchaser, within seven (7) business days after the sale date, an aggregate maximum of fifty (50) copies of the Official Statement (and 50 copies of any addenda, supplement or amendment thereto), together with information regarding interest rates and other terms relating to the reoffering of the Certificates, in accordance with the Rule. The Issuer agrees to provide, or cause to be provided, to the Initial Purchaser the Preliminary Official Statement and the Official

Statement and any amendments or supplements thereto in such printed or electronic format may be required for the Initial Purchaser to comply with the Rule and the rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer consents to the distribution of such documents in electronic format. The Initial Purchaser may arrange at its own expense to have the Official Statement reproduced and printed if it requires more than 50 copies and may also arrange, at its own expense and responsibility, for completion and perfection of the first or cover page of the Official Statement so as to reflect interest rates and other terms and information related to the reoffering of the Certificates. The Initial Purchaser will be responsible for providing information concerning the Issuer and the Certificates to subsequent purchasers of the Certificates, and the Issuer will undertake no responsibility for providing such information other than to make the Official Statement available to the Initial Purchaser as provided herein. The Issuer's obligation to supplement the Official Statement to correct representations determined to be materially misleading, after the date of the Official Statement, shall terminate upon the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Certificates. The Initial Purchaser by submitting a bid for the Certificates agrees to promptly file the Official Statement with the MSRB. Unless otherwise notified in writing by the Initial Purchaser, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the initial delivery of the Certificates to the Initial Purchaser.

**CHANGES TO OFFICIAL STATEMENT:** If, subsequent to the date of the Official Statement, the Issuer learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Certificates, as described below under "DELIVERY AND ACCOMPANYING DOCUMENTS – CONDITIONS TO DELIVERY," the Issuer will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the Issuer to do so will terminate on the date specified under "OFFICIAL STATEMENT" above.

**CERTIFICATION OF THE OFFICIAL STATEMENT:** At the time of payment for and delivery of the Initial Certificates, the Initial Purchaser will be furnished a certificate, executed by proper officials of the Issuer, acting in their official capacity, in the form specified in the Official Statement under the heading "OTHER PERTINENT INFORMATION – Certification of the Official Statement." The Preliminary Official Statement and Official Notice of Sale will be approved as to form and content and the use thereof in the offering of the Certificates will be authorized, ratified and approved by the City Commission on the date of sale, and the Initial Purchaser will be furnished, upon request, at the time of payment for and the delivery of the Certificates, a certified copy of such approval, duly executed by the proper officials of the Issuer.

#### **DELIVERY AND ACCOMPANYING DOCUMENTS**

**INITIAL DELIVERY OF INITIAL CERTIFICATE:** Initial Delivery will be accomplished by the issuance of one fully registered Certificate, in the aggregate principal amount of \$40,000,000\*, payable to the Initial Purchaser (the "Initial Certificate"), signed by the Mayor and City Secretary, by their manual or facsimile signatures, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Initial Delivery will be at the designated office of the Paying Agent/Registrar. Upon delivery of the Initial Certificate, it shall be immediately canceled and one definitive certificate for each maturity in the aggregate principal amount of \$40,000,000\* payable to Cede & Co. will be delivered to DTC in connection with DTC's Book-Entry-Only System. Payment for the Certificates must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Certificates. It is anticipated that the delivery of the Initial Certificate can be made on or about September 4, 2024, but if for any reason the City is unable to make delivery by September 4, 2024, then the City shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend his obligation to take up and pay for the Certificates an additional 30 days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the City and the Initial Purchaser shall be relieved of any further obligation. In no event shall the City be liable for any damages by reason of its failure to deliver the Certificates, provided that such failure is due to circumstances beyond the City's reasonable control.

**DTC DEFINITIVE CERTIFICATES:** The Certificates will be issued in book-entry-only form. Cede & Co. is the nominee for DTC. All references herein and in the Official Statement to the holders or registered owners of the Certificates shall mean Cede & Co. and not the beneficial owners of the Certificates. Purchases of beneficial interests in the Certificates will be made in book-entry form in the denomination of \$5,000 principal amounts or any integral multiple thereof. Under certain limited circumstances, there may be a cessation of the immobilization of the Certificates at DTC, or another securities depository, in which case, such beneficial interests would become exchangeable for definitive printed obligations of like principal amount.

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\* Preliminary, subject to change.

**CUSIP NUMBERS:** It is anticipated that CUSIP identification numbers will be printed on the Certificates, but neither the failure to print such number on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Certificates in accordance with the terms of the Official Bid Form and this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Certificates shall be paid by the Issuer; however, **the CUSIP Service Bureau's charge for the assignment of the numbers shall be paid by the Initial Purchaser.**

**CONDITIONS TO DELIVERY:** The obligation to take up and pay for the Certificates is subject to the following conditions: the issuance of an approving opinion of the Attorney General of Texas, the Initial Purchaser's receipt of the legal opinion of Bond Counsel and the no-litigation certificate, and the non-occurrence of the events described below under the caption "NO MATERIAL ADVERSE CHANGE," all as described below. In addition, if the Issuer fails to comply with its obligations described under "OFFICIAL STATEMENT" above, the Initial Purchaser may terminate its contract to purchase the Certificates by delivering written notice to the Issuer within five (5) days thereafter.

**NO MATERIAL ADVERSE CHANGE:** The obligations of the Initial Purchaser to take up and pay for the Certificates, and of the Issuer to deliver the Certificates to the Initial Purchaser, are subject to the condition that, up to the time of delivery of and receipt of payment for the Certificates, there shall have been no material adverse change in the affairs of the Issuer subsequent to the date of sale from that set forth in the Official Statement, as it may have been finalized, supplemented or amended through the date of delivery.

**LEGAL OPINIONS:** The Certificates are offered when, as and if issued, subject to the approval of certain legal matters by the Attorney General of the State of Texas and Bond Counsel (see discussion "OTHER PERTINENT INFORMATION - Legal Opinions and No-Litigation Certificate" in the Official Statement).

**CHANGE IN TAX-EXEMPT STATUS:** At any time before the Certificates are tendered for initial delivery to the Initial Purchaser, the Initial Purchaser may withdraw its bid if the interest on obligations such as the Certificates shall be declared to be includable in the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, either by Treasury regulations, by ruling or administrative guidance of the Internal Revenue Service, by a decision of any federal court, or by the terms of any federal income tax legislation enacted subsequent to the date of this Official Notice of Sale.

#### **GENERAL CONSIDERATIONS**

**RATING:** A municipal bond rating application has been made to S&P Global Ratings ("S&P"). The outcome of the results will be made available to the Initial Purchaser as soon as possible. (See "OTHER PERTINENT INFORMATION – Rating" in the Preliminary Official Statement). An explanation of the significance of such rating, when received, may be obtained from S&P. A rating reflects only the view of such company at the time the rating is given, and the Issuer makes no representations as to the appropriateness of the rating. There is no assurance that such a rating will continue for any given period of time, or that it will not be revised downward or withdrawn entirely by the company assigning such rating if, in the 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 Certificates.

**SALE OF ADDITIONAL DEBT:** The City does not anticipate the issuance of any additional debt during the next 12 months.

**REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR SALE:** No registration statement relating to the Certificates has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon exemptions provided in such Act. The Certificates have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. Any representation to the contrary is a criminal offense. The Certificates have not been registered or qualified under the Securities Act of Texas in reliance upon exemptions contained therein, nor have the Certificates been registered or qualified under the securities acts of any other jurisdiction. The Issuer assumes no responsibility for registration or qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

It is the obligation of the Initial Purchaser to register or qualify sale of the Certificates under the securities laws of any jurisdiction which so requires. The Issuer agrees to cooperate, at the Initial Purchaser's written request and expense and within reasonable limits, in registering or qualifying the Certificates, or in obtaining an exemption from registration or qualification in any state where such action is necessary, but will in no instance execute a special or general consent to service of process in any state that the Certificates are offered for sale.

**ADDITIONAL COPIES:** Subject to the limitations described under "OFFICIAL STATEMENT" herein, additional copies of this Official Notice of Sale, the Official Bid Form, and the Preliminary Official Statement may be obtained from SAMCO Capital Markets, Inc., 1700 Pacific Ave., Suite 2000, Dallas, Texas 75201, Attention: Peggy Kilborn (214-765-1440, [pkilborn@samcocapital.com](mailto:pkilborn@samcocapital.com)).

On the date of the sale, the City Commission will, in the Ordinance awarding the sale of the Certificates, approve the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Certificates by the Initial Purchaser.

/s/ Kameron Raburn  
Mayor  
City of Ennis, Texas

ATTEST:

/s/ Angie Wade  
City Secretary  
City of Ennis, Texas

**OFFICIAL BID FORM**

Honorable Mayor and City Commission  
 City of Ennis  
 115 W. Brown St.  
 Ennis, Texas 75119

July 30, 2024

Ladies and Gentlemen:

Reference is made to your Official Notice of Sale and Preliminary Official Statement dated July 30, 2024, which terms are incorporated by reference to this proposal (and which are agreed to as evidenced by our submission of this bid), we hereby submit the following bid for \$40,000,000\* City of Ennis, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024, dated August 1, 2024 (the "Certificates").

For your legally issued Certificates, as described in said Official Notice of Sale and Preliminary Official Statement, we will pay you a price of \$\_\_\_\_\_ (being a price of no less than 101% of the par value) plus accrued interest from their Dated Date to the date of delivery to us, for Certificates maturing February 1 and bearing interest as follows:

Year of Stated Maturity	Principal Amount at Stated Maturity	Coupon %	Year of Stated Maturity	Principal Amount at Stated Maturity	Coupon %
2025	\$ 325,000	_____	2036*	\$ 2,090,000	_____
2026	1,845,000	_____	2037*	2,185,000	_____
2027	1,405,000	_____	2038*	2,290,000	_____
2028	1,465,000	_____	2039*	2,395,000	_____
2029	1,535,000	_____	2040*	2,500,000	_____
2030	1,600,000	_____	2041*	2,610,000	_____
2031	1,675,000	_____	2042*	2,735,000	_____
2032	1,755,000	_____	2043*	2,855,000	_____
2033	1,830,000	_____	2044*	2,985,000	_____
2034*	1,915,000	_____			
2035*	2,005,000	_____			

*\*Maturities available for Term Certificates.*

Our calculation (which is not part of this bid) of the interest cost in accordance with the above bid is:

TRUE INTEREST COST \_\_\_\_\_ %

We are (are not) having the Certificates of the following maturities \_\_\_\_\_ insured by \_\_\_\_\_ at a premium of \$\_\_\_\_\_. The premium will be paid by the Winning Bidder. Any fees due to Rating Agencies, other than S&P Global Ratings ("S&P"), as a result of said insurance will be paid by the Winning Bidder. The City will pay the fee due to S&P.

*In the event that the Issuer's Municipal Advisor informs the winning bidder that less than three bids were received for the Certificates, the winning bidder shall promptly report which maturities, if any, will be Hold-the-Price maturities on or before 3 p.m. on the date of the bid opening. See "ESTABLISHING THE ISSUE PRICE FOR THE CERTIFICATES" in this Notice of Sale.*

**ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS:** The City reserves the right to increase or decrease the principal (maturity) amount of any maturity of the Certificates, including the elimination of a maturity or maturities; provided, however, that the aggregate principal (denominational) amount of the Certificates shall not exceed \$40,000,000\*. Notice of any such changes shall be given to the successful bidder as soon as practicable following the notification of award, as described below, and this Notice of Sale may be amended at the sole discretion of the City to reflect such increase or decrease. The City will attempt to maintain total per Certificate underwriter spread when adjusting maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined. The successful bidder may not withdraw its bids or change the rates bid or any initial reoffering prices as a result of any changes made to the principal (denominational) amounts.

\_\_\_\_\_  
 \* Preliminary, subject to change.

Of the principal maturities set forth in the table above, we have created term certificates as indicated in the following table (which may include multiple term certificates, one term certificate or no term certificates if none is indicated). For those years which have been combined into a term certificate, the principal amount shown in the table above will be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term certificate maturity date will mature in such year. The term certificates created are as follows:

<b>Term Certificate Maturity Date February 1</b>	<b>Year of First Mandatory Redemption</b>	<b>Principal Amount of Term Certificate</b>	<b>Interest Rate</b>

By its acceptance of this bid, we understand the City will provide the copies of the Final Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Sale, and will cooperate to permit the undersigned to comply with Rule 15c2-12 of the Securities and Exchange Commission. The Purchaser by submitting this bid for the Certificates agrees to promptly file the Official Statement when received from the City with the Municipal Securities Rulemaking Board.

The Initial Certificate shall be registered in the name of \_\_\_\_\_ (Syndicate Manager), which will upon payment for the Certificates, be canceled by the Paying Agent/Registrar. The Certificates will then be registered in the name of Cede & Co. (DTC’s partnership nominee), under the Book-Entry-Only System. We will advise DTC of registration instructions at least five business days prior to the date set for Initial Delivery.

Cashier's Check of the \_\_\_\_\_ Bank, \_\_\_\_\_, in the amount of \$800,000 which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Official Notice of Sale. Upon delivery of the Certificates, said check shall be returned to the Initial Purchaser.

We agree to accept delivery of the Initial Certificate(s) through DTC and make payment for the Initial Certificate(s) in immediately available funds at BOKF, NA, Dallas, Texas, no later than 10:00 A.M., Central Daylight Time, on September 4, 2024, or thereafter on the date the Initial Certificate(s) are tendered for delivery, pursuant to the terms set forth in the Official Notice of Sale.

The undersigned agrees to complete, execute and deliver to the City at least five business days prior to the date of delivery of the Certificates, a certificate relating to the “issue price” of the Certificates in the form and to the effect attached to or accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the Bond Counsel for the Issuer. The undersigned also agrees to provide the City and its consultants, at least ten business days prior to the delivery of the Certificates, a breakdown of its “underwriting spread” among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

As used in the following verifications, representations and covenants “affiliate” means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the bid or Notice of Sale, notwithstanding anything in the bid or Notice of Sale to the contrary.

- (i) No Boycott of Israel Verification (Texas Government Code Chapter 2271). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.
- (ii) Not a Sanctioned Company (Texas Government Code Chapter 2252). The Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- (iii) No Boycott of Energy Companies (Texas Government Code Chapter 2276). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.
- (iv) No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274).

The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

By submitting this bid, the Purchaser understands and agrees that if Purchaser should fail or refuse to take up and pay for the Certificates in accordance with this bid, or it is determined that after the acceptance of this bid by the Issuer that the Purchaser was found not to satisfy the requirements described in the Official Notice of Sale and Bidding Instructions under the heading “CONDITIONS OF THE SALE” and as a result the Texas Attorney General will not deliver its approving opinion of the Certificates, then the check submitted herewith as the Purchaser’s Good Faith Deposit shall be cashed and accepted by the Issuer. IF THE ISSUER CASHES THE PURCHASER’S GOOD FAITH DEPOSIT AS DESCRIBED ABOVE, SUCH ACTION DOES NOT CONSTITUTE COMPLETE OR LIQUIDATED DAMAGES RELATED TO THE PURCHASER’S BREACH OF ANY OF THE COVERED VERIFICATIONS.

By submitting this bid, the Purchaser understands and agrees that the liability of the Purchaser for breach of any of the verifications made in connection with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended and as described above (collectively, the “Covered Verifications”) shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form or the Official Notice of Sale. Additionally, the Purchaser acknowledges and agrees that the Issuer reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any, relating to the Covered Verifications.

Further State Law Compliance and Standing Letter Requirement: By submitting this bid, the Purchaser understands and agrees that it must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General’s Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the “All Bond Counsel Letter”). In submitting this bid, the Purchaser represents to the Issuer that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the Issuer may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General’s Office. The Purchaser hereby further agrees that it will not rescind its standing letter at any time before the delivery of the Certificates unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the Issuer including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

The Purchaser acknowledges that the Issuer, in its sole discretion, has reserved the right to reject the bid of any bidder who is, or whose parent company, subsidiaries or affiliates are, on a list maintained by the Texas Comptroller of financial companies boycotting energy companies or discriminating against firearm entities.

The Purchaser understands and agrees that to the extent the Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the Issuer reserves the right to cash and accept the Good Faith Deposit (see “CONDITIONS OF THE SALE - Good Faith Deposit” in the Official Notice of Sale).

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE REPRESENTATIONS AND COVENANTS CONTAINED IN THIS OFFICIAL BID FORM SHALL SURVIVE TERMINATION OF THE AGREEMENT OF THE PURCHASER TO PURCHASE THE CERTIFICATES UNTIL THE APPLICABLE STATUTE OF LIMITATIONS HAS RUN.

Submission or Exemption of filing Form 1295: In accordance with Texas Government Code Section 2252.908 (the “Interested Party Disclosure Act”), the Issuer may not award the Certificates to a bidder unless the winning bidder either:

(i) submits a Certificate of Interested Parties Form 1295 (the “Disclosure Form”) to the Issuer as prescribed by the Texas Ethics Commission (“TEC”),

or

(ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the Issuer, upon notification of conditional verbal acceptance and if required, the undersigned will complete an electronic form of the Disclosure Form through the TEC’s electronic portal and the resulting certified Disclosure Form that is generated by the TEC’s electronic portal will be printed, signed and sent by email to the Issuer’s financial advisor at MMClincy@samcocapital.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the Issuer from providing final written award of the enclosed bid.

The Purchaser (mark one):

(i) Agrees to timely make a filing of a completed Disclosure Form with the Issuer [ ]

or

(ii) Hereby certifies that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity [ ].

The Issuer will consider any bid submitted pursuant to the Notice of Sale relating to the Certificates to be a firm offer for the purchase of the Certificates.

For purposes of contracting for the sale of the Certificates, the entity signing the bid form as Purchaser shall be solely responsible for the payment of the purchase price of the Certificates. The Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the City is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

Respectfully submitted,

\_\_\_\_\_

By: \_\_\_\_\_  
Underwriter's Authorized Representative

ACCEPTANCE CLAUSE

THE ABOVE AND FOREGOING BID IS IN ALL THINGS HEREBY ACCEPTED this 6th day of August 2024, by the City Commission of the City of Ennis, Texas.

ATTEST:

\_\_\_\_\_  
City Secretary, City of Ennis, Texas

\_\_\_\_\_  
Mayor, City of Ennis, Texas



**\$40,000,000\***  
**CITY OF ENNIS, TEXAS**  
**COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024**

**ISSUE PRICE CERTIFICATE**

(Sales where at least 3 bids are received from underwriters)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024 issued by the City of Ennis, Texas ("Issuer") in the principal amount of \$\_\_\_\_\_ ("Certificates"), hereby certifies and represents, based on its records and information, as follows:

(a) On the first day on which there was a binding contract in writing for the purchase of the Certificates by the Purchaser, the Purchaser's reasonably expected initial offering prices of each maturity of the Certificates with the same credit and payment terms (the "Expected Offering Prices") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter are as set forth in the pricing wire or equivalent communication for the Certificates, as attached to this Certificate as Schedule A. The Expected Offering Prices are the prices for the Certificates used by the Purchaser in formulating its bid to purchase the Certificates.

(b) The Purchaser had an equal opportunity to bid to purchase the Certificates and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(c) The bid submitted by the Purchaser constituted a firm bid to purchase the Certificates.

(d) The Purchaser has /has not  purchased bond insurance for the Certificates. The bond insurance has been purchased from \_\_\_\_\_ (the "Insurer") for a fee of \$\_\_\_\_\_ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Certificates. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Certificates, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Certificates in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Certificates to the Public) to participate in the initial sale of the Certificates to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Certificates, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this \_\_\_\_\_.

\_\_\_\_\_, as Purchaser

By: \_\_\_\_\_

Name: \_\_\_\_\_

*\*Preliminary, subject to change.*

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**\$40,000,000\***  
**CITY OF ENNIS, TEXAS**  
**COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024**

**ISSUE PRICE CERTIFICATE**

(Sales where **less than 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of Underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024 issued by the City of Ennis, Texas ("Issuer") in the principal amount of \$ \_\_\_\_\_ ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) Other than the Bonds maturing in \_\_\_\_\_ ("Hold-the-Price Maturities"), if any, the first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms ("Maturity") was sold on the Sale Date to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are their respective initial offering prices (the "Initial Offering Prices"), as listed in the pricing wire or equivalent communication for the Bonds that is attached to this Certificate as Schedule A.

(b) On or before the first day on which there is a binding contract in writing for the sale of the Bonds ("Sale Date"), the Purchaser offered to the Public each Hold-the-Price Maturity at their respective Initial Offering Prices, as set forth in Schedule A hereto.

(c) As set forth in the Notice of Sale, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for such Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.

(d) The Purchaser has [ ]/has not [ ] purchased bond insurance for the Bonds. The bond insurance has been purchased from \_\_\_\_\_ (the "Insurer") for a fee of \$ \_\_\_\_\_ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this \_\_\_\_\_.

\_\_\_\_\_, as Purchaser  
By: \_\_\_\_\_  
Name: \_\_\_\_\_

*\*Preliminary, subject to change.*

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SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

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This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

NEW ISSUE - BOOK-ENTRY-ONLY

Rating: S&P: \_\_“Applied For”  
(See “OTHER PERTINENT INFORMATION - Rating”, herein)

**PRELIMINARY OFFICIAL STATEMENT**  
**Dated: July 30, 2024**

*In the opinion of Bond Counsel to the City, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings, and court decisions existing on the date of the initial delivery of the Certificates, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.*

**\$40,000,000\***  
**CITY OF ENNIS, TEXAS**  
**(Ellis County)**  
**COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024**

**Dated Date: August 1, 2024**

**Due: February 1, as shown on page ii**

The City of Ennis, Texas (the “City” or the “Issuer”) \$40,000,000\* Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024 (the “Certificates”) are being issued pursuant to the Constitution and laws of the State of Texas (the “State”), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Chapter 1502, as amended, an ordinance (the “Ordinance”) to be adopted by the City Commission, and the City’s Home Rule Charter. (See “THE CERTIFICATES - Authority for Issuance” herein.)

The Certificates constitute direct obligations of the Issuer payable from a combination of the levy and collection of an annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and further secured by a limited pledge (not to exceed \$1,000) of the surplus Net Revenues derived from the operation of the City’s combined Waterworks and Sewer System (the “System”). (See “THE CERTIFICATES - Security for Payment” herein.)

Interest on the Certificates will accrue from August 1, 2024 (the “Dated Date”) as shown above and will be payable on February 1, 2025, and on each August 1 and February 1 thereafter, until maturity or prior redemption, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Certificates will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository (the “Securities Depository”). Book-entry interests in the Certificates will be made available for purchase in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Certificates (“Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the Certificates purchased. So long as DTC or its nominee is the registered owner of the Certificates, the principal of and interest on the Certificates will be payable by BOKF, NA, Dallas, Texas, as Paying Agent/Registrar, to DTC, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Certificates. (See “BOOK-ENTRY-ONLY SYSTEM” herein.)

Proceeds from the sale of the Certificates will be used to pay all or a portion of the City’s contractual obligations incurred in connection with (a) acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to the City’s waterworks and sewer system, and the acquisition of land and interests in land and properties therefor; (b) constructing, reconstructing and improving streets, including sidewalks, drainage, signalization, landscaping, streetscaping, lighting, signage and utility relocation, and the acquisition of land and interests in land and properties therefor; (c) acquiring equipment for the fire department; (d) acquiring, constructing, reconstructing, improving and equipping park facilities, and the acquisition of land and interests in land and properties therefor; and (e) acquiring, constructing, reconstructing, installing and equipping additions, extensions, renovations and improvements to existing municipal facilities and new facilities for the public works department servicing the water and sewer, streets, sanitation, parks, equipment services, distribution and collections, and fleet departments and functions; and also for the purpose of paying all or a portion of the City’s contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with such projects. (See “THE CERTIFICATES - Use of Certificate Proceeds” herein.)

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SEE FOLLOWING PAGE FOR STATED MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS, AND REDEMPTION PROVISIONS FOR THE CERTIFICATES

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*The Certificates are offered for delivery, when, as and if issued and received by the initial purchaser (the “Purchaser”) and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. (See Appendix C – Form of Legal Opinion of Bond Counsel.) (See “OTHER PERTINENT INFORMATION - Legal Opinions and No-Litigation Certificate” herein). It is expected that the Certificates will be available for delivery through the facilities of DTC on or about September 4, 2024.*

**BIDS DUE ON AUGUST 6, 2024 AT 11:00 A.M., CENTRAL DAYLIGHT TIME**

*\*Preliminary, subject to change*

**\$40,000,000\***  
**CITY OF ENNIS, TEXAS**  
**(Ellis County)**  
**COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION**  
**SERIES 2024**

**STATED MATURITY SCHEDULE\***

**(Due February 1)**  
**Base CUSIP – 293425<sup>(a)</sup>**

Stated Maturity February 1	Principal Amount*	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix <sup>(a)</sup>
2025	\$ 325,000			
2026	1,845,000			
2027	1,405,000			
2028	1,465,000			
2029	1,535,000			
2030	1,600,000			
2031	1,675,000			
2032	1,755,000			
2033	1,830,000			
2034	1,915,000			
2035	2,005,000			
2036	2,090,000			
2037	2,185,000			
2038	2,290,000			
2039	2,395,000			
2040	2,500,000			
2041	2,610,000			
2042	2,735,000			
2043	2,855,000			
2044	2,985,000			

(Interest to accrue from the Dated Date)

The Issuer reserves the right to redeem the Certificates maturing on and after February 1, 2034, on February 1, 2033, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest as further described herein. (See “THE CERTIFICATES - Redemption Provisions” herein.)

<sup>(a)</sup> CUSIP numbers are included solely for the convenience of the owner of the Certificates. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2023 CUSIP Global Services. All rights reserved. CUSIP data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only.

\*Preliminary, subject to change.



**CITY OF ENNIS, TEXAS  
115 W. Brown Street  
Ennis, Texas 75119  
(972) 875-1234**

**ELECTED OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>First Elected to Commission May</u>	<u>Term Expires May</u>
Kameron Raburn	Mayor	2022	2027
Jake Holland	Mayor Pro Tem	2020	2026
Rowdy Pruitt	Commissioner, Ward 1	2016	2027
Bruce Jones	Commissioner, Ward 2	2020	2026
Scott Hejny	Commissioner, Ward 3	2024	2025
Shirley Watson	Commissioner, Ward 4	2017	2026
Eric Pierce	Commissioner, Ward 5	2024	2025

**ADMINISTRATION**

<u>Name</u>	<u>Position</u>	<u>Length of Service With the City</u>	<u>Years in Municipal Government</u>
Marty Nelson	City Manager	11 years	11 years
Daniel Ortiz	Assistant City Manager	1 year	17 years
Stephen Barnes	Finance Director	6 years	21 years
Angie Wade	City Secretary	8 years	26 years

**CONSULTANTS AND ADVISORS**

Bond Counsel	McCall, Parkhurst & Horton L.L.P. Dallas, Texas
Financial Advisor	SAMCO Capital Markets, Inc. San Antonio, Texas
Certified Public Accountants	Yeldell, Wilson, Wood & Reeve, P.C. Ennis, Texas

***For Additional Information Please Contact:***

Mr. Stephen Barnes  
Finance Director  
**City of Ennis**  
107 N. Sherman St.  
Ennis, Texas 75119  
(972) 875-1234  
sbarnes@ennistx.gov

Mr. Mark McLiney  
Senior Managing Director  
**SAMCO Capital Markets, Inc.**  
1020 NE Loop 410, Suite 640  
San Antonio, Texas 78209  
210-832-9760  
mmcliney@samcocapital.com

Mr. Andrew Friedman  
Senior Managing Director  
**SAMCO Capital Markets, Inc.**  
1020 NE Loop 410, Suite 640  
San Antonio, Texas 78209  
210-832-9760  
afriedman@samcocapital.com

## USE OF INFORMATION IN THE OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), this document constitutes a preliminary official statement of the Issuer with respect to the Certificates that has been, deemed "final" by the Issuer as of its date except for the omission of no more than the information permitted by the Rule.

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 must not be relied upon.

Certain information set forth herein has been provided by sources other than the City that the City believes to be reliable, but the City makes no representation as to the accuracy of such information. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the 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 herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

NONE OF THE CITY, THE PURCHASER OR THE FINANCIAL ADVISOR MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

THE CERTIFICATES 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 CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

### TABLE OF CONTENTS

INTRODUCTORY STATEMENT.....	1	CITY APPLICATION OF THE PROPERTY TAX CODE.....	15
THE CERTIFICATES .....	1	ADDITIONAL TAX COLLECTIONS .....	16
REGISTRATION, TRANSFER AND EXCHANGE .....	5	TAX MATTERS.....	16
BOOK-ENTRY-ONLY SYSTEM.....	6	CONTINUING DISCLOSURE OF INFORMATION .....	19
INVESTMENT AUTHORITY AND INVESTMENT .....	8	OTHER PERTINENT INFORMATION.....	20
EMPLOYEE PENSION AND RETIREMENT PLAN .....	11		
AD VALOREM TAX PROCEDURES.....	11		

Financial Information of the Issuer	Appendix A
General Information Regarding City of Ennis and Ellis County, Texas	Appendix B
Form of Legal Opinion of Bond Counsel	Appendix C
Excerpts from the City of Ennis Audited Financial Statements for the Fiscal Year Ended September 30, 2023	Appendix D

*The cover page, subsequent pages hereof and appendices attached hereto, are part of this Official Statement*

## SELECTED DATA FROM THE OFFICIAL STATEMENT

*The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.*

<b>The Issuer</b>	The City of Ennis, Texas (the “City” or the “Issuer”) is in Ellis County and is a principal commercial center of Ellis County. The City is a political subdivision of the State of Texas and operates under a Commission-Manager form of government with a City Commission comprised of seven members including the Mayor. The Mayor and Mayor Pro Tem are elected at large for two-year staggered terms. The five Commissioners are elected by single member districts for two-year staggered terms. (See APPENDIX B - “GENERAL INFORMATION REGARDING THE CITY OF ENNIS AND ELLIS COUNTY, TEXAS” herein.)
<b>The Certificates</b>	The Certificates are being issued pursuant to the Constitution and laws of the State of Texas (the “State”), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Chapter 1502, as amended, an ordinance (the “Ordinance”) to be adopted by the City Commission, and the City’s Home Rule Charter. (See “THE CERTIFICATES - Authority for Issuance” herein.)
<b>Paying Agent/Registrar</b>	The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas Texas.
<b>Security</b>	The Certificates constitute direct general obligations of the Issuer payable from a combination of the levy and collection of an annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and further secured by a limited pledge (not to exceed \$1,000) of the surplus Net Revenues derived from the operation of the City’s combined Waterworks and Sewer System (the “System”). (See “THE Certificates - Security for Payment” herein.)
<b>Redemption Provision</b>	The Issuer reserves the right, at its sole option, to redeem Certificates stated to mature on and after February 1, 2034, on February 1, 2033, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the price of par plus accrued interest to the date fixed for redemption. In addition, in the event the Purchaser elects to aggregate two or more consecutive serial maturities as one or more “Term Certificates,” such Term Certificates will be subject to mandatory sinking fund redemption in accordance with the Ordinance and will be described in the final Official Statement. (See “THE CERTIFICATES - Redemption Provisions” herein.)
<b>Tax Matters</b>	In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal tax purposes under statutes, regulations, published rulings and court decisions existing on the date of the initial delivery of the Certificates, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations. (See “TAX MATTERS” for a discussion of the Opinion of Bond Counsel and “APPENDIX C - FORM OF LEGAL OPINION OF BOND COUNSEL” herein.)
<b>Use of Certificate Proceeds</b>	Proceeds from the sale of the Certificates will be used to pay all or a portion of the City’s contractual obligations incurred in connection with (a) acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to the City’s waterworks and sewer system, and the acquisition of land and interests in land and properties therefor; (b) constructing, reconstructing and improving streets, including sidewalks, drainage, signalization, landscaping, streetscaping, lighting, signage and utility relocation, and the acquisition of land and interests in land and properties therefor; (c) acquiring equipment for the fire department; (d) acquiring, constructing, reconstructing, improving and equipping park facilities, and the acquisition of land and interests in land and properties therefor; and (e) acquiring, constructing, reconstructing, installing and equipping additions, extensions, renovations and improvements to existing municipal facilities and new facilities for the public works department servicing the water and sewer, streets, sanitation, parks, equipment services, distribution and collections, and fleet departments and functions; and also for the purpose of paying all or a portion of the City’s contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with such projects. (See “THE CERTIFICATES - Use of Certificate Proceeds” herein.)

<b>Book-Entry-Only System</b>	The Issuer intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York described herein. No physical delivery of the Certificates will be made to the beneficial owners of the Certificates. Such Book-Entry-Only System may affect the method and timing of payments on the Certificates and the manner the Certificates may be transferred. (See “Book-Entry-Only System” herein.)
<b>Rating</b>	A municipal bond rating application has been made to S&P Global Ratings (“S&P”). The outcome of the result will be made available as soon as possible. An explanation of the significance of such rating may be obtained from the rating agency. (See “OTHER PERTINENT INFORMATION - Rating” herein.)
<b>Issuance of Additional Debt</b>	The City does not anticipate the issuance of any additional debt during the next 12 months.
<b>Payment Record</b>	The City has never defaulted on the payment of its general obligation debt.
<b>Delivery</b>	When issued, anticipated on or about September 4, 2024.
<b>Legality</b>	Delivery of the Certificates is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas.

*(The remainder of this page was intentionally left blank)*

**PRELIMINARY OFFICIAL STATEMENT**  
relating to  
**\$40,000,000\***  
**CITY OF ENNIS, TEXAS**  
**(A political subdivision of the State of Texas located in Ellis County, Texas)**  
**COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024**

**INTRODUCTORY STATEMENT**

This Official Statement provides certain information in connection with the issuance by City of Ennis, Texas (the "City" or the "Issuer") of its \$40,000,000\* Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024 (the "Certificates") identified on the cover page hereof.

The Issuer is a political subdivision of the State of Texas and operates as a home-rule municipality under the statutes and the constitution of the State of Texas (the "State"). The Certificates are being issued pursuant to the Constitution and general laws of the State, an ordinance (the "Ordinance") to be adopted by the City Commission authorizing the issuance of the Certificates, and the City's Home Rule Charter. (See "THE CERTIFICATES - Authority for Issuance" herein.)

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Ordinance. Included in this Official Statement are descriptions of the Certificates and certain information about the Issuer and its finances. **ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT.** Copies of such documents may be obtained from the Issuer or the Financial Advisor noted on page iii hereof.

**THE CERTIFICATES**

**General**

The Certificates will be dated August 1, 2024 (the "Dated Date"). The Certificates are stated to mature on February 1 in the years and in the principal amounts set forth on page ii hereof. The Certificates shall bear interest from their Dated Date on the unpaid principal amounts, and the amount of interest to be paid with respect to each payment period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Certificates will be payable on February 1, 2025, and on each August 1 and February 1 thereafter until maturity or prior redemption. Principal is payable at the designated offices of the "Paying Agent/Registrar" for the Certificates, initially BOKF, NA, Dallas, Texas. Interest on the Certificates shall be paid to the registered owners whose names appear on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (as hereinafter defined) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to be closed, 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.

Initially, the Certificates will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described below. No physical delivery of the Certificates will be made to the Beneficial Owners. Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will distribute the amounts received to the appropriate DTC Participants, who shall in turn make payment to the Beneficial Owners of the Certificates. Such Book-Entry-Only System may change the method and timing of payment for the Certificates and the method of transfer. See "BOOK-ENTRY-ONLY SYSTEM" below for a more complete description of such System.

**Authority for Issuance**

The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Chapter 1502, as amended, the Ordinance and the City's Home Rule Charter.

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\*Preliminary, subject to change.

## **Security for Payment**

The Certificates constitute direct obligations of the Issuer payable from a combination of the levy and collection of an annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and further secured by a limited pledge (not to exceed \$1,000) of the surplus revenues derived from the operation of the City's combined Waterworks and Sewer System (the "System") remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or a part of the revenues of the System ("Net Revenues"). (See "CITY APPLICATION OF THE PROPERTY TAX CODE" herein.)

## **Tax Rate Limitation**

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, annual direct ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limit prescribed by law. Article XI, Section 5, of the Texas Constitution applicable to home-rule cities is applicable to the City, and limits the maximum ad valorem tax rate of the City to \$2.50 per \$100 taxable assessed valuation for all City purposes. The City's Home Rule Charter adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 taxable assessed valuation.

Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt service.

## **Use of Certificate Proceeds**

Proceeds from the sale of the Certificates will be used to pay all or a portion of the City's contractual obligations incurred in connection with (a) acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to the City's waterworks and sewer system, and the acquisition of land and interests in land and properties therefor; (b) constructing, reconstructing and improving streets, including sidewalks, drainage, signalization, landscaping, streetscaping, lighting, signage and utility relocation, and the acquisition of land and interests in land and properties therefor; (c) acquiring equipment for the fire department; (d) acquiring, constructing, reconstructing, improving and equipping park facilities, and the acquisition of land and interests in land and properties therefor; and (e) acquiring, constructing, reconstructing, installing and equipping additions, extensions, renovations and improvements to existing municipal facilities and new facilities for the public works department servicing the water and sewer, streets, sanitation, parks, equipment services, distribution and collections, and fleet departments and functions; and also for the purpose of paying all or a portion of the City's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with such projects

## **Redemption Provisions**

Optional Redemption: The Issuer reserves the right, at its sole option, to redeem Certificates stated to mature, on or after February 1, 2034, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof on February 1, 2033, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. In addition, two or more consecutive maturities of the Certificates may be grouped together as a "Term Certificate" by the Purchaser, and such "Term Certificates" would also be subject to mandatory sinking fund redemption. If less than all of the Certificates within a stated maturity are to be redeemed, the particular Certificates to be redeemed shall be selected by lot or by other customary random method by the Paying Agent/Registrar.

Not less than thirty (30) days prior to a redemption date for the Certificates, the City shall cause a notice of such redemption to be sent by United States mail, first-class postage prepaid, to the registered owners of each Certificate or a portion thereof to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar on the day such notice of redemption is mailed. ANY NOTICE OF REDEMPTION SO MAILED TO THE REGISTERED OWNERS WILL BE DEEMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE OF THE REGISTERED OWNERS FAILED TO RECEIVE SUCH NOTICE. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof which are to be so redeemed. If such notice of redemption is given and any other condition to redemption satisfied, all as provided above, the Certificates or portion thereof, which are to be redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may

state that said redemption will, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the City will not redeem such Certificates and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

The Paying Agent/Registrar and the City, so long as a Book-Entry-Only System is used for the Certificates, will send any notice of redemption, notice of proposed amendment to the Certificates or other notices with respect to the Certificates only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the Beneficial Owner, will not affect the validity of the redemption of the Certificates called for redemption or any other action premised on any such notice. Redemption of portions of the Certificates by the City will reduce the outstanding principal amount of such Certificates held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Certificates held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC direct participants and indirect participants may implement a redemption of such Certificates from the Beneficial Owners. Any such selection of Certificates the City has called for redemption will not be governed by the Ordinance and will not be conducted by the City or the Paying Agent/Registrar. Neither the City nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Certificates or the providing of notice to DTC direct participants, indirect participants, or Beneficial Owners of the selection of portions of the Certificates for redemption. (See "Book-Entry-Only System" herein.)

*Mandatory Sinking Fund Redemption:* In the event the Purchaser elects to combine two or more consecutive serial maturities into one or more Term Certificates, each such Term Certificate will be subject to mandatory sinking fund redemption commencing on February 1 of the first year which has been combined to form such Term Certificate and continuing on February 1 in each year thereafter until the stated maturity date of that Term Certificate. In the event the Purchaser elects to create Term Certificates, the final Official Statement will be updated to reflect the mandatory sinking fund redemption schedules and provisions.

#### **Payment Record**

The City has never defaulted on the payment of its general obligation debt.

#### **Legality**

The Certificates are offered when, as and if issued, subject to the approvals of legality by the Attorney General of the State and McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. A form of the legal opinion of Bond Counsel appears in Appendix C attached hereto.

#### **Defeasance**

The Ordinance provides for the defeasance of the Certificates when the payment of the principal of and premium, if any, on the Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or otherwise) is provided by irrevocably depositing with the Paying Agent/Registrar or authorized escrow agent, in trust (1) money sufficient to make such payment and/or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the defeased Certificates, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance. The Ordinance provides that "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Certificates. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City authorizes the defeasance of the Certificates, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that, on the date the City authorizes the defeasance of the Certificates, have been refunded and are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Certificates. Because the Ordinance does not contractually limit such investments, registered owners

will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used for defeasance purposes or that for any other Defeasance Security will be maintained at any particular rating category.

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

In the Ordinance, the Issuer has reserved the right to amend the Ordinance without the consent of any holder for the purpose of amending or supplementing the Ordinance to (i) cure any ambiguity, defect or omission therein that does not materially adversely affect the interests of the registered owners of the Certificates, (ii) grant additional rights or security for the benefit of the registered owners of the Certificates, (iii) add events of default as shall not be inconsistent with the provisions of the Ordinance that do not materially adversely affect the interests of the registered owners of the Certificates, (iv) qualify the Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect or (v) make such other provisions in regard to matters or questions arising under the Ordinance that are not inconsistent with the provisions thereof and which, in the opinion of Bond Counsel for the City, do not materially adversely affect the interests of the registered owners of the Certificates.

The Ordinance further provides that the registered owners of the Certificates aggregating in principal amount a majority of the outstanding Certificates shall have the right from time to time to approve any amendment not described above to the Ordinance if it is deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the registered owners of the Certificates in original principal amount of the then outstanding Certificates, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Certificates; (ii) reducing the rate of interest borne by any of the outstanding Certificates; (iii) reducing the amount of the principal payable on any outstanding Certificates; (iv) modifying the terms of payment of principal of or interest on outstanding Certificates, or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Certificates necessary for consent to such amendment. Reference is made to the Ordinance for further provisions relating to the amendment thereof.

### **Default and Remedies**

The Ordinance establishes specific events of default with respect to the Certificates. If the City defaults in the payment of the principal of or interest on the Certificates when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners of the Certificates, including but not limited to, their prospect or ability to be repaid in accordance with the Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the Ordinance provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Certificates or the Ordinance and the City's obligations are not uncertain or disputed. The remedy 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 Certificates 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 Certificateholders 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. On June 30, 2006 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." Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, holders of the Certificates may not be able to bring such a suit against the City for breach of the covenants in the Certificates or in the Ordinance. 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 tax lien on taxable property to pay the principal of and interest on the Certificates. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151 through .160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities under certain circumstances." The



Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods and services to cities.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“Wasson I”), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I*, *Wasson Interests LTD. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) (“Wasson II”, and together with *Wasson I* “Wasson”), ruling 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 at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the State’s immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question.

As noted above, the Ordinance provides that holders of the Certificates may exercise the remedy of mandamus to enforce the Certificates of the City under the Ordinance. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract).

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, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under chapter 9. 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 owners of the Certificates 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 Certificates are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

Initially, the only registered owner of the Certificates will be Cede & Co., as nominee of DTC. See “BOOK-ENTRY-ONLY SYSTEM” herein for a description of the duties of DTC with regard to ownership of the Certificates.

## **REGISTRATION, TRANSFER AND EXCHANGE**

### **Paying Agent/Registrar**

The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas. In the Ordinance, the Issuer retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Issuer, the new Paying Agent/Registrar shall 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 at the sole discretion of the Issuer, shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon a change in the Paying Agent/Registrar for the Certificates, the Issuer agrees to promptly cause written notice thereof to be sent to each registered owner of the Certificates by United States mail, first-class, postage prepaid.

The Certificates 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. Interest will be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar on the Record Date (as defined below) by check or draft mailed on February 1, 2025, and on each August 1 and February 1 thereafter until maturity or prior redemption of the Certificates, by the

Paying Agent/Registrar to the last known address of the registered owner as it appears on the Paying Agent/Registrar's books 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 a Certificate will be paid to the registered owner at its stated maturity or its prior redemption upon presentation to the Paying Agent/Registrar. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. So long as Cede & Co. is the registered owner of the Certificates, payments of principal of and interest on the Certificates will be made as described in "BOOK-ENTRY-ONLY SYSTEM" herein.

#### **Record Date**

The record date ("Record Date") for interest payable to the registered owner of a Certificate on any Interest Payment Date means the close of business on the fifteenth day of the month next preceding such Interest Payment Date.

In the event of a non-payment of interest on an Interest 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 from the Issuer. 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 appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

#### **Future Registration**

The Certificates are initially to be issued utilizing the Book-Entry-Only System of The Depository Trust Company, New York, New York ("DTC"). In the event such Book-Entry-Only System should be discontinued, printed certificates will be issued to the owners of the Certificates and thereafter, the Certificates may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender of such printed certificates to the Paying Agent/Registrar, and such registration and transfer shall 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 Certificate may be assigned by the execution of an assignment form on the Certificate or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Certificate or Certificates will be delivered by the Paying Agent/Registrar in lieu of the Certificates 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 Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Certificates 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 Certificates registered and delivered in an exchange or transfer shall be in denominations of \$5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Certificate or Certificates surrendered for exchange or transfer. (See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be initially utilized in regard to ownership and transferability of the Certificates.)

#### **Limitation on Transfer or Exchange of Certificates**

The Paying Agent/Registrar shall not be required to transfer or exchange any Certificates or any portion thereof during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or with respect to any Certificate or portion called for redemption prior to maturity, within 45 days prior to its redemption date, provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Certificate called for redemption.

#### **Replacement Certificates**

In the Ordinance, provision is made for the replacement of mutilated, destroyed, lost, or stolen Certificates upon surrender of the mutilated Certificates to the Paying Agent/Registrar, or the receipt of satisfactory evidence of destruction, loss, or theft, and the receipt by the Issuer and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The Issuer may require payment of taxes, governmental charges, and other expenses in connection with any such replacement.

## BOOK-ENTRY-ONLY SYSTEM

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

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, 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 Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities 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"). Direct Participants and Indirect Participants are jointly referred to as "Participants". DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the 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 Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates 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 Certificates 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 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The 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 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates 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 for the Certificates shall be sent to DTC. If less than all of the Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Certificates 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, Certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City, the Financial Advisor, or the initial purchaser of the Certificates.

#### **Use of Certain Terms in Other Sections of this Official Statement**

In reading this Official Statement it should be understood that while the Certificates 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 Certificates, 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.

#### **INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE ISSUER**

The City invests funds in instruments authorized by Texas law, specifically the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "PFIA"), in accordance with investment policies approved by the City Commission. The City Commission appoints the City Manager as the "Investment Officer" of the City. Both State law and the City's investment policies are subject to change.

Under State law, the City is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits, other than those described in clause (7), that (i) are invested through a broker or institution with a main office or branch office in this state and selected by the City in compliance with the PFIA, (ii) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the City's account, (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States, and (iv) the City appoints as its custodian of the banking deposits, in compliance with the PFIA, the institution in clause (8)(i) above, a bank, or a broker-dealer; (9) certificates of deposit and share certificates meeting the requirements of the PFIA (i) that are issued by an institution that has its main office

or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8), above, or secured in accordance with Chapter 2257, Texas Government Code, or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through a broker or institution that has a main office or branch office in the State and selected by the City in compliance with the PFIA, (b) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the City appoints, in compliance with the PFIA, the institution in clause (9)(ii)(a) above, a bank, or broker-dealer as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described by clauses (1) or (12), which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank, or of the holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or an equivalent by either (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission and complies with Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are registered and regulated by the Securities and Exchange Commission that have a weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations approved in this paragraph, or (ii) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations described in clause (1), excluding obligations which the City is explicitly prohibited from investing in, and in an amount at least equal to the amount of bond proceeds invested under such contract; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, including accrued income, (ii) a loan made under the program allows for termination at any time, (iii) a loan made under the program is either secured by (a) obligations described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent, or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool, (iv) the terms of a loan made under the program require that the securities being held as collateral be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party designated by the City, (v) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State, and (vi) the agreement to lend securities has a term of one year or less.

City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or Aaam or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Governmental bodies in the State such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the second paragraph under this caption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the second paragraph under this caption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any

individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the City's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and probable income to be derived." At least quarterly the City's investment officers must submit an investment report to the City Commission detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest City funds without express written authority from the City Commission.

Under Texas law, the City is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Commission; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the City's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

**Current Investments**

As of June 18, 2024 (unaudited), the City's investable funds were invested in the investment categories / percentage shown below:

<u>Investment Description</u>	<u>Total Invested</u>	<u>Percent of Portfolio</u>
Operating Check Account	\$83,821,112	92.19%
Local Checking / Money Market Accounts (General Fund)	6,749,293	7.42%
TexPool Money Market Accounts	<u>349,717</u>	<u>0.38%</u>
<b>Total</b>	<b><u>\$90,920,122</u></b>	<b><u>100.00%</u></b>

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

The Texas State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool ("TexPool"). Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of the other persons who do not have a business relationship with TexPool. The advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by S&P. TexPool operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value.

## EMPLOYEE PENSION AND RETIREMENT PLAN

The City participates as one of 920 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 agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System 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 Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.org](http://www.tmr.org).

For more information see the Annual Comprehensive Financial Report, Notes 3 and 4.

## AD VALOREM TAX PROCEDURES

*The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title 1 of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.*

### Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the City is the responsibility of the Ellis County Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property (the "10% Homestead Cap"). See "Table 1 – Assessed Valuation" for the reduction in taxable valuation attributable to the 10% Homestead Cap.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity ("Productivity Value"). The same land may not be qualified as both agricultural and open-space land. See "Table 1 – Assessed Valuation" for the reduction in taxable valuation attributable to valuation by Productivity Value.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the City, in establishing their tax rolls and tax rates. See "AD VALOREM TAX PROCEDURES – Issuer and Taxpayer Remedies."

### State Mandated Homestead Exemptions

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action, and surviving spouses of first responders killed or fatally wounded in the line of duty. See "Table 1 – Assessed Valuation" for the reduction, if any, attributable to state mandated homestead exemptions.

### **Local Option Homestead Exemptions**

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit. See “Table 1 – Assessed Valuation” for the reduction, if any, attributable to local option homestead exemptions.

### **Local Option Freeze for the Elderly and Disabled**

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded. See “Table 1 – Assessed Valuation” for the reduction, if any, attributable to the local option freeze for the elderly and disabled.

### **Personal Property**

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the “production of income” is taxed based on the property’s market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

### **Freeport and Goods-In-Transit Exemptions**

Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication (“Freeport Property”) are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days (“Goods-in-Transit”), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer’s motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

See “Table 1 – Assessed Valuation” for the reduction, if any, attributable to Freeport Property and/or Goods-in-Transit exemptions.

### **Other Exempt Property**

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.



### **Temporary Exemption for Qualified Property Damaged by a Disaster**

The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the date the taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the governor declares the area to be a disaster area. For more information on the exemption, reference is made to Section 11.35 of the Tax Code. Section 11.35 of the Tax Code was enacted during the 2019 legislative session, and there is no judicial precedent for how the statute will be applied. Texas Attorney General Opinion KP-0299, issued a court would likely find the Texas Legislature intended to limit the temporary tax exemption to apply to property physically harmed as a result of a declared disaster.

### **Tax Increment Financing Zones**

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment financing zones ("TIRZ") within its boundaries, and other overlapping taxing units may agree to contribute taxes levied against the "Incremental Value" in the TIRZ to finance or pay for project costs, as defined in Chapter 311, Texas Government Code, general located within the TIRZ. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "Incremental Value", and during the existence of the TIRZ, all or a portion of the taxes levied by each participating taxing unit against the Incremental Value in the TIRZ are restricted to paying project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units. See "CITY APPLICATION OF THE PROPERTY TAX CODE" for descriptions of any TIRZ created in the City.

### **Tax Abatement Agreements**

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. See "CITY APPLICATION OF THE PROPERTY TAX CODE" for descriptions of any of the City's tax abatement agreements.

For a discussion of how the various exemptions described above are applied by the City, See "CITY APPLICATION OF THE PROPERTY TAX CODE" herein.

### **Public Hearing and Maintenance and Operation Tax Rate Limitations**

The Following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"special taxing unit" means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

"unused increment rate" means the cumulative difference between a city's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

“voter-approval tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the “unused increment rate”.

The City’s tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the “maintenance and operations tax rate”), and (2) a rate for funding debt service in the current year (the “debt service tax rate”). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Commission by August 1 or as soon as practicable thereafter.

A city must annually calculate its “voter-approval tax rate” and “no-new-revenue tax rate” (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its “de minimis rate”, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city’s adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city’s voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its “voter-approval tax rate” using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city’s total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City’s ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City’s tax-supported debt obligations, including the Obligations.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

### **Issuer and Taxpayer Remedies**

Under certain circumstances, the City and its taxpayers may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value of at least \$50 million and situated in a county with a population of one million or more as of the most recent federal decennial census may additionally protest the determinations of appraisal district directly to a three-member special panel of the appraisal review board, selected by a State district judge, consisting of highly qualified professionals in the field of property tax appraisal.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases (See “– Public Hearing and Maintenance and Operation Tax Rate Limitations”.) The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

### **Issuer’s Rights in the Event of Tax Delinquencies**

Taxes levied by the City are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all State and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each local taxing unit, including the City, having power to tax the property. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes. At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years after the purchaser’s deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

### **CITY APPLICATION OF THE PROPERTY TAX CODE**

The City’s property taxes are collected by Ellis County.

The City grants a 1% exemption to the market value of all residence homesteads with a minimum exemption of \$5,000.

The City grants an additional exemption of \$4,000 to the market value to persons 65 years or older and the disabled.

The City taxes business personal property.

The Issuer does not permit split payments and does not allow discounts.

Pursuant to City action taken on December 18, 1989, the City elected to continue to tax Article VIII, Section 1-j property (“freeport property”).

The City does not grant an exemption for “goods in transit”.

The City adopted a Tax Increment Reinvestment Zone for the downtown business district on August 1, 2016.

The City adopted a Tax Increment Reinvestment Zone for the I45 Corridor on May 16, 2017.

The City has entered into tax abatement agreements with the businesses listed below and has adopted criteria therefor, which is a prerequisite to the execution of abatement agreements.

- A. Depicted in the table below are active economic development agreements that abate, or refund dollars based on property tax.

- a. Chapter 312 agreements are traditional property tax abatements (property tax not paid).
- b. Chapter 380 agreements are grants paid by the City based on a property tax refund calculation.

B. For the 2023 Tax Year:

- a. The amount of City property tax revenue abated or refunded annually is approximately \$922,691.
- b. The amount of City property tax revenue collected annually is approximately \$2,467,840.

Project		Investment		Property Tax		Incentives						
Year	TAD	Company Name	New Capital	Jobs	Abated/Refunded	Collected	Type	Source	Chapter	Terms / Value	Start - End	Purpose
2017		Spyglass	\$20,000,000	10	\$157,919	\$683,057	Tax Refund	City of Ennis	380	75% - 5 Years	2020-2024	New Capital & Jobs
2017		Polyguard	500,000	15	30,000	54,222	Tax Refund	City of Ennis	380	\$30k - 10 years	2017-2026	Retained Jobs and New HQ
2017		Globe Products	1,500,000	50	35,000	51,233	Tax Refund	City of Ennis	380	\$35k - 10 years	2018-2027	New Capital & Retained Jobs
2018		Buc-ee's	30,000,000	175	49,773	99,546	Tax Refund	TIRZ#2	380	50% 15 years	2020-2034	New Capital and Jobs
2019		Benoit	10,000,000	15	98,853	141,218	Tax Refund	City of Ennis	380	70% 5 years	2023-2027	New Capital and Jobs
2019		Freshpet	600,000,000	500	334,365	445,820	Tax Abatement	City of Ennis	312	75% 8 years	2020-2027	New Capital and Jobs
2021		Americase	5,000,000	100	10,909	51,579	Tax Refund	City of Ennis	380	65% 5 years	2022-2026	New Capital and Jobs
2021		Ennis Steel	10,000,000	15	50,000	198,440	Tax Refund	City of Ennis	380	\$50K 7 years	2020-2026	New Capital and Jobs
2022		GAF	59,000,000	32	155,872	742,725	Tax Refund	City of Ennis	380	70% 5 years	2022-2026	New Capital and Jobs
<b>Total</b>			<b>\$736,000,000</b>	<b>912</b>	<b>\$922,691</b>	<b>\$2,467,840</b>						

C. The City has two additional programs that abate, or refund monies based on property tax.

- a. The Historic Landmark Tax Exemption applies to designated properties in the Downtown and Residential Historic Districts are eligible. The exemption applies to 25% of the property value, up to a maximum of \$25,000. The maximum abatement is: \$25,000\*.0071 = \$177.50 per property.
- b. The Historic Reinvestment Tax Abatement Refund applies to designated "commercial" properties in the National Register Historic District. Eligible work includes structural, electrical, plumbing, mechanical and exterior restoration. This program can refund up to 100% of City property taxes paid if matched with eligible work.

**ADDITIONAL TAX COLLECTIONS**

Texas law provides that local sales and use taxes ("sales tax") cannot exceed a combined maximum of 2%.

**Municipal Sales Tax Collections**

The City has adopted the provisions of Chapter 321 of the Tax Code, as amended, to provide for the levy of a one percent sales tax which may be used by the City for any lawful purpose except that the City may not pledge any of the anticipated sales tax revenue to secure the payment of the Certificates or other indebtedness. Net collections on a fiscal year basis are shown in Table 15 of Appendix A – Financial Information of the Issuer.

**Optional Sales Tax**

The Tax Code provides certain cities and counties the option of assessing a sales tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional tax is approved and levied, the ad valorem property tax levy must be reduced by the amount of the estimated sales tax revenues to be generated in the current year. Further, the Tax Code provides certain cities the option of assessing a sales tax on retail sales of taxable items for economic development purposes, if approved by a majority of the voters in a local option election.

At an election held in November 1991, registered voters of the City approved the imposition of a one-half percent (½%) additional sales tax for property tax reduction. Levy of the ad valorem tax reduction sales tax began in April 1992. **Such sales tax proceeds are not pledged for the payment of the Certificates.**

The City has not held an election regarding an additional sales tax for economic development purposes in accordance with Chapters 501, 502 and 504, Texas Local Government Code, as amended (Type A economic development corporation).

## TAX MATTERS

### Opinion

On the date of initial delivery of the Certificates, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the Issuer, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Certificates for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Certificates will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the Issuer will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Certificates. See Appendix C -- Form of Opinion of Bond Counsel.

In rendering its opinion, Bond Counsel will rely upon (a) certain information and representations of the Issuer, including information and representations contained in the Issuer's federal tax certificate, and (b) covenants of the Issuer contained in the Certificate documents relating to certain matters, including arbitrage, and the use of the proceeds of the Certificates and the property financed or refinanced therewith. Failure by the Issuer to observe the aforementioned representations or covenants could cause the interest on the Certificates to become includable in gross income retroactively to the date of issuance of the Certificates.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Certificates in order for interest on the Certificates to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Certificates to be included in gross income retroactively to the date of issuance of the Certificates. The opinion of Bond Counsel is conditioned on compliance by the Issuer with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Certificates.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Certificates.

A ruling was not sought from the Internal Revenue Service by the Issuer with respect to the Certificates or the facilities financed or refinanced with proceeds of the Certificates. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the Issuer that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Certificates, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Issuer as the taxpayer and the Owner may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

### Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Certificates may be less than the principal amount thereof or one or more periods for the payment of interest on the Certificates may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Certificates"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Certificate, and (ii) the initial offering price to the public of such Original Issue Discount Certificate would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Certificates less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased an Original Issue Discount Certificate in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Certificate equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Certificate prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Certificate was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Certificate is accrued daily to the stated maturity thereof (in amounts calculated as described below for accrual period and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Certificate for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Certificate.

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

### **Collateral Federal Income Tax Consequences**

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Certificates. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

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

Interest on the Certificates may be includable in certain corporations' "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

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

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

### **Future and Proposed Legislation**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Certificates under Federal or state law and could affect the market price or marketability of the Certificates. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Certificates should consult their own tax advisors regarding the foregoing matters.

## **State, Local and Foreign Taxes**

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

## **Information Reporting and Backup Withholding**

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Certificates will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

## **CONTINUING DISCLOSURE OF INFORMATION**

In the Ordinance, the City has made the following agreement for the benefit of the holders and beneficial owners of the Certificates. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Certificates. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB").

### **Annual Reports**

The City will provide annually to the MSRB, in the electronic format prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the City of the general type included in this Official Statement under (i) "INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE ISSUER – Current Investments" in the body of this Official Statement, and (ii) Tables 1 through 13, 15 and 19 of "APPENDIX A – FINANCIAL INFORMATION OF THE ISSUER". The City will additionally provide financial statements of the City (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in the City's annual audited financial statements 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 and (ii) audited, if the City commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The City will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2024. The City may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Website or filed with the SEC, 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 cannot be provided, the Issuer will provide notice that the audited financial statements are not available and will provide unaudited financial information of the type described in the preceding paragraph by the required time and audited financial statements when they become 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 financial information and operating data by the last day in March in each year, unless the Issuer changes its fiscal year and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) as described above. If the Issuer changes its fiscal year, it will notify the MSRB 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 Certificates 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 Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, 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 trustee or the change of name of a trustee, 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 a 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 a financial obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide annual financial information or operating data in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in (12) of 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.

For the purposes of the above described event notices (15) and (16), the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

#### **Availability of Information from MSRB**

The Issuer has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at [www.emma.msrb.org](http://www.emma.msrb.org).

#### **Limitations and Amendments**

The Issuer has agreed to update information and to provide notices of certain specified events only as described above. The Issuer 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 Issuer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The Issuer 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 Certificates may seek a writ of mandamus to compel the Issuer to comply with its agreement.

The Issuer may amend its 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 Issuer, if the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Certificates consent or any person unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Certificates. The Issuer may also repeal or amend its agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer 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.

#### **Compliance with Prior Agreements**

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



## **OTHER PERTINENT INFORMATION**

### **Registration and Qualification of Certificates for Sale**

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

### **Litigation**

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

### **Future Debt Issuance**

The City does not anticipate the issuance of any additional debt during the next 12 months.

### **Legal Investments and Eligibility to Secure Public Funds in Texas**

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Certificates are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are real 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 Certificates by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Certificates be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "OTHER PERTINENT INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivision, and are legal security for those deposits to the extent of their fair market value. No review by the City has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

No representation is made that the Certificates will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The City has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Certificates for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Certificates for such purposes. Additionally, with respect to the Certificates, Section 271.051 of the Texas Local Government Code expressly provides that certificates of obligation approved by the Attorney General of Texas are legal authorized investments for banks, savings banks, trust companies, and savings and loan associations, insurance companies, fiduciaries, trustees, and guardians, and sinking funds of municipalities, counties, school districts, or other political corporations or subdivisions of the State.

### **Legal Opinions and No-Litigation Certificate**

The Issuer will furnish the Purchaser with a complete transcript of proceedings incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of the State of Texas to the effect that the Certificates are valid and legally binding obligations of the Issuer, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Bond Counsel, to the effect that the Certificates are valid and legally binding obligations of the Issuer and, subject to the qualifications set forth herein under "TAX MATTERS," the interest on the Certificates is excludable from the gross income of the owners thereof for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions existing on the date of the initial delivery of the Certificates, including the alternative minimum tax on corporations. 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 Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Certificates will also be furnished. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Notice of Sale, the Official Bid Form and 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 describing the Certificates in the Official Statement to verify that such description conforms to the provisions of the Ordinance. Such firm has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the Issuer for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an

expression of opinion of any kind with regard to the accuracy or completeness of any of the information contained herein. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates are contingent on the sale and delivery of the Certificates. Though it may represent the Financial Advisor and certain entities that may bid on the Certificates from time to time in matters unrelated to the issuance of the Certificates, Bond Counsel has been engaged by and only represents the City in connection with the issuance of the Certificates.

The various legal opinions to be delivered concurrently with the delivery of the Certificates 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 from the transaction.

### **Rating**

A municipal bond rating application has been made to S&P Global Ratings (“S&P”). The outcome of the result will be made available as soon as possible. An explanation of the significance of such rating may be obtained from the rating agency. A rating by a rating agency reflects only the view of such company at the time the rating is given, and the Issuer makes no representations as to the appropriateness of the rating. There is no assurance that such a rating will continue for any given period of time, or that it will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price or marketability of the Certificates.

### **Financial Advisor**

SAMCO Capital Markets, Inc. is employed as the Financial Advisor to the Issuer in connection with the issuance of the Certificates. In this capacity, the Financial Advisor has compiled certain data relating to the Certificates and has assisted in drafting this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Issuer to determine the accuracy or completeness of this Official Statement. Because of its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for Financial Advisor are contingent upon the issuance, sale and delivery of the Certificates.

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.

### **Winning Bidder**

After requesting competitive bids for the Certificates, the City accepted the bid of \_\_\_\_\_ (previously defined as the “Purchaser” or the “Initial Purchaser”) to purchase the Certificates at the interest rates shown on the page ii of this Official Statement at a price of par, plus a [net] reoffering premium of \$ \_\_\_\_\_, less an underwriting discount of \$ \_\_\_\_\_, plus accrued interest on the Certificates from their Dated Date to their date of initial delivery. The City can give no assurance that any trading market will be developed for the City after their sale by the City to the Purchaser. The City has no control over the price at which the Certificates are subsequently sold and the initial yield at which the Certificates will be priced and reoffered will be established by and will be the responsibility of the Purchaser.

### **Certification of the Official Statement**

At the time of payment for and delivery of the Certificates, the Purchaser will be furnished a certificate executed by the proper officials of the City acting in their official capacity, to the effect that: (a) the descriptions and statements of or pertaining to the City contained in its Official Statement relating to the Certificates, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of the sale of said Certificates, and on the date of the delivery, 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 statement therein, in the light of the circumstances under which they were made, not misleading; (c) to the best of their knowledge, insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City and its 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 the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since September 30, 2023, the date of the last audited financial statements of the City, portions of which appear in the Official Statement.

**Links to Websites**

The City has provided links to websites in this Official Statement to allow investors independent access to information or expertise that may be of value. INFORMATION ON SUCH WEBSITES IS NOT INCORPORATED INTO THIS OFFICIAL STATEMENT BY REFERENCE OR OTHERWISE. The inclusion of any links does not imply a recommendation or endorsement of the information or views expressed within a website. The City has not participated in the preparation, compilation or selection of information or views in any website referenced in this Official Statement, and assumes no responsibility or liability for the information or views, or accuracy or completeness thereof, in any website referenced herein.

**Forward-Looking Statements Disclaimer**

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' 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. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included 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 will prove to be accurate.

**Concluding Statement**

The financial data and other information contained in this Official Statement have been obtained from the City's records, audited financial statements and other sources which 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 ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents and ordinances. 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 statutes, documents and ordinances in all respects.

The Ordinance authorizing the issuance of the Certificates will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Certificates by the Purchaser.

**CITY OF ENNIS, TEXAS**

/s/ \_\_\_\_\_  
Mayor  
City of Ennis, Texas

ATTEST:

/s/ \_\_\_\_\_  
City Secretary  
City of Ennis, Texas

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## **APPENDIX A**

### **FINANCIAL INFORMATION OF THE ISSUER**

(This appendix contains quantitative financial information and operating data with respect to the Issuer. The information is only a partial representation and does not purport to be complete. For further and more complete information, reference should be made to the original documents, which can be obtained from various sources, as noted.)

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**FINANCIAL INFORMATION OF THE ISSUER**

**ASSESSED VALUATION**

**TABLE 1**

2024 Actual Appraised Value of Taxable Property (100% of Actual) <sup>(a)</sup>		\$ 4,344,258,068
Less Exemptions/Losses:		
Local Over-65 and/or Disabled Homestead Exemptions	\$ 5,670,021	
Local, Optional Percentage Homestead	18,337,834	
Disabled and Deceased Veterans' Exemptions	22,045,457	
Pollution Control	29,277,010	
Productivity Loss	142,408,850	
Abatement Loss	150,863,381	
Value Cap Loss (10%)	173,390,452	
Historical / Minimal Value & Other	2,774,397	
Totally Exempt Property	395,206,994	939,974,396
2024 Certified Net Taxable Assessed Valuation		\$ 3,404,283,672

<sup>(a)</sup> See "CITY APPLICATION OF THE PROPERTY TAX CODE" in the Official Statement for a description of the Issuer's taxation procedures.  
 Source: Ellis Appraisal District.

**GENERAL OBLIGATION BONDED DEBT PRINCIPAL**

**TABLE 2**

<b>General Obligation Debt Principal Outstanding: (As of July 1, 2024)</b>		
Combination Tax and Revenue Certificates of Obligation, Series 2014		\$ 3,545,000
General Obligation Refunding Bonds, Taxable Series 2014		2,090,000
Combination Tax and Revenue Certificates of Obligation, Series 2015		6,595,000
General Obligation Refunding Bonds, Series 2016		705,000
Combination Tax and Revenue Certificates of Obligation, Series 2016		1,835,000
Combination Tax and Revenue Certificates of Obligation, Series 2017		5,325,000
Combination Tax and Revenue Certificates of Obligation, Series 2018		2,095,000
Combination Tax and Revenue Certificates of Obligation, Series 2018A		3,245,000
Combination Tax and Revenue Certificates of Obligation, Series 2019		8,095,000
Combination Tax and Revenue Certificates of Obligation, Series 2019A		13,670,000
Combination Tax and Revenue Certificates of Obligation, Series 2020		18,250,000
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022		25,250,000
Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2022		3,044,000
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024 (the "Certificates")		40,000,000 *
Total <b>Gross</b> General Obligation Debt Principal Outstanding (Following the Issuance of the Certificates):		\$ 133,744,000 *
<b>Less: Self-Supporting General Obligation Debt Principal</b> <sup>(a)</sup>		
Combination Tax and Revenue Certificates of Obligation, Series 2015 (50.26% Utility Fund)		\$ 3,315,000
Combination Tax and Revenue Certificates of Obligation, Series 2016 (19.89% Utility Fund)		365,000
Combination Tax and Revenue Certificates of Obligation, Series 2017 (30.79% Utility Fund)		1,610,000
Combination Tax and Revenue Certificates of Obligation, Series 2018 (42.24% Utility Fund)		885,000
Combination Tax and Revenue Certificates of Obligation, Series 2018A (100% Utility Fund)		3,245,000
Combination Tax and Revenue Certificates of Obligation, Series 2019 (100% CCPD)		8,095,000
Combination Tax and Revenue Certificates of Obligation, Series 2020 (21.28% Utility Fund)		3,885,000
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 (52.01% Utility Fund)		13,135,000
Combination Tax and Revenue Certificates of Obligation, Taxable Series 2022 (100% Utility Fund)		3,044,000
The Certificates (50% Utility Fund)		20,000,000 *
Total Self-Supporting General Obligation Debt Principal		\$ 57,579,000 *
Total <b>Net</b> General Obligation Debt Principal Outstanding (Following the Issuance of the Certificates):		\$ 76,165,000 *
General Obligation Interest and Sinking Fund Balance as of September 30, 2023		\$ 36,182
Ratio of Gross General Obligation Debt to 2024 Certified Net Taxable Assessed Valuation		3.93% *
Ratio of Net General Obligation Debt to 2024 Certified Net Taxable Assessed Valuation		2.24% *
2024 Certified Net Taxable Assessed Valuation		\$ 3,404,283,672
Population: 1990 - 13,883; 2000 - 16,045; 2010 - 18,513; 2020 - 20,159; Current (Estimate) -		25,544
Per Capita 2024 Certified Net Assessed Valuation -	\$	133,271
Per Capita Gross General Obligation Debt Principal -	\$	5,236 *
Per Capita Net General Obligation Debt Principal -	\$	2,982 *

<sup>(a)</sup> In the event the City changes its policy to pay this general obligation debt service from other revenue sources, or such revenues are not sufficient to pay debt service on such obligations, the City will be required to levy an ad valorem tax to pay such debt service.

\* Preliminary, subject to change.

**DEVELOPMENT AGREEMENT PAYABLE**

In 2006 the City entered into a development agreement with PRHC-Ennis GP, Inc. (subsequently LifePoint Hospitals, Inc.) (Company) for the construction, maintenance, and operation of an acute municipal hospital. Under the terms of the development agreement the City purchased the constructed hospital from the Company. The purchase price of \$21,795,735 at closing was reduced by an amount indentified as operating rental revenue under the term of the development agreement and the terms of a lease agreement described in the Operating Lease.

The development agreement payable currently outstanding and reported as a liability of the City's governmental activities at September 30, 2023, totaled \$13,031,769. The amount due within one year totals \$544,983.

**LEASE LIABILITY**

The City leases vehicles from Enterprise Fleet Management and property from various third parties to conduct its operations, the terms of which expire 2024 through 2027. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2023, the value of the lease liability was \$659,108. Incremental borrowing rates of 3.80 percent to 5.80 percent were used to measure lease payables. The value of the right-to-use lease assets as of the end of the current fiscal year was \$725,161 and had accumulated amortization of \$288,476.

**QUALITY IMPROVEMENT PAYMENT PROGRAM**

The City participates in the Quality Improvement Payment Program (QIPP). The program is designed to assist nursing facilities servicing indigent patients by providing funding to support increased access to healthcare within the community. It is also designed to allow participating providers to receive additional reimbursement if they either reach a national benchmark level or they make quarterly improvements in up to four predetermined quality measures. At September 30, 2023, the City recorded \$5,209,225 of prepaid intergovernmental transfers for the period of October 2023 – February 2024, which was paid by the City prior to fiscal year end in July 2023. The City is required to contribute to the state for their share of QIPP funding. Accounts receivable under this program was \$5,905,625 at September 30, 2023. The program described above is subject to review and scrutiny by both the Texas Legislature and Center for Medicare & Medicaid Services, and the program could be modified or terminated based on new legislation or regulation in future periods.



**GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS**

**TABLE 4**

Fiscal Year 30-Sep	Current Total Debt Service <sup>(a)</sup>	The Certificates*		Total	Combined Debt Service <sup>(a)*</sup>	Less: Self- Supporting Debt Paid From		Net General Obligation Debt Service <sup>(d)*</sup>
		Principal	Interest			WS Rev <sup>(b)*</sup>	CCPD <sup>(c)</sup>	
2024	\$ 10,161,882	-	-	-	\$ 10,161,882	\$ 2,323,467	\$ 700,938	\$ 7,137,477
2025	9,207,218	\$ 325,000	\$ 1,693,094	\$ 2,018,094	11,225,312	3,470,997	701,188	7,053,127
2026	8,107,660	1,845,000	1,646,981	3,491,981	11,599,641	3,809,871	700,438	7,089,332
2027	8,036,700	1,405,000	1,577,919	2,982,919	11,019,619	3,690,140	698,688	6,630,791
2028	7,852,304	1,465,000	1,516,931	2,981,931	10,834,236	3,681,697	700,813	6,451,726
2029	7,865,095	1,535,000	1,453,181	2,988,181	10,853,276	3,696,381	696,788	6,460,107
2030	7,839,497	1,600,000	1,386,563	2,986,563	10,826,060	3,688,940	697,013	6,440,107
2031	7,857,205	1,675,000	1,316,969	2,991,969	10,849,174	3,702,885	701,388	6,444,901
2032	7,649,702	1,755,000	1,244,081	2,999,081	10,648,783	3,697,527	699,569	6,251,687
2033	7,646,589	1,830,000	1,167,900	2,997,900	10,644,489	3,702,561	701,509	6,240,419
2034	7,648,110	1,915,000	1,088,319	3,003,319	10,651,429	3,707,529	697,169	6,246,731
2035	7,021,485	2,005,000	1,005,019	3,010,019	10,031,504	3,717,692	696,869	5,616,944
2036	6,363,224	2,090,000	918,000	3,008,000	9,371,224	3,381,190	700,397	5,289,637
2037	6,350,715	2,185,000	827,156	3,012,156	9,362,871	3,380,590	697,344	5,284,937
2038	5,672,564	2,290,000	732,063	3,022,063	8,694,626	3,162,832	698,063	4,833,731
2039	5,407,656	2,395,000	632,506	3,027,506	8,435,163	2,907,713	697,844	4,829,606
2040	3,692,200	2,500,000	528,488	3,028,488	6,720,688	2,915,219	-	3,805,469
2041	2,137,200	2,610,000	419,900	3,029,900	5,167,100	2,589,881	-	2,577,219
2042	2,144,600	2,735,000	306,319	3,041,319	5,185,919	2,596,788	-	2,589,131
2043	125,000	2,855,000	187,531	3,042,531	3,167,531	1,550,731	-	1,616,800
2044	125,000	2,985,000	63,431	3,048,431	3,173,431	1,557,406	-	1,616,025
2045	125,000	-	-	-	125,000	-	-	125,000
2046	125,000	-	-	-	125,000	-	-	125,000
2047	125,000	-	-	-	125,000	-	-	125,000
2048	125,000	-	-	-	125,000	-	-	125,000
2049	129,000	-	-	-	129,000	-	-	129,000
	\$ 129,540,606	\$ 40,000,000	\$ 19,712,350	\$ 59,712,350	\$ 188,623,956	\$ 66,932,034	\$ 11,186,018	\$ 111,134,904

<sup>(a)</sup> Includes all self-supporting debt.

<sup>(b)</sup> Includes only self-supporting debt paid from Water and Sewer System (the "System") revenues. See Table 2, page A-1 for self-supporting percentages.

<sup>(c)</sup> Includes the self-supporting debt paid by the Crime Control Prevention District ("CCPD"). See Table 2, page A-1 for self-supporting percentages.

<sup>(d)</sup> Excludes all self-supporting debt.

\* Preliminary, subject to change.

**TAX ADEQUACY (Includes Self-Supporting Debt)**

**TABLE 5**

2024 Net Taxable Assessed Valuation	\$ 3,404,283,672
Maximum Annual Debt Service Requirements (Fiscal Year Ending 9-30-26)	11,599,641
Indicated Maximum Interest and Sinking Fund Tax Rate at 97% Collections	0.3513

Note: Above computation is exclusive of investment earnings, delinquent tax collections and penalties and interest on delinquent tax collections.

**TAX ADEQUACY (Excludes Self-Supporting Debt)**

**TABLE 6**

2024 Net Taxable Assessed Valuation	\$ 3,404,283,672
Maximum Annual Debt Service Requirements (Fiscal Year Ending 9-30-24)	7,137,477
Indicated Maximum Interest and Sinking Fund Tax Rate at 97% Collections	0.2161

Note: Above computation is exclusive of investment earnings, delinquent tax collections and penalties and interest on delinquent tax collections.

**INTEREST AND SINKING FUND MANAGEMENT INDEX****TABLE 7**

Interest and Sinking Fund Balance, Fiscal Year Ended September 30, 2023	\$ 36,182
2023 Interest and Sinking Fund Tax Levy of \$0.2490 at 98% Collections Produces	<u>8,307,133</u>
Total Available for Debt Service	\$ 8,343,315
Less: Net General Obligation Debt Service Requirements, Fiscal Year Ending 9-30-24 <sup>(a)</sup>	<u>7,137,477</u>
Estimated Surplus at Fiscal Year Ending 9-30-24 <sup>(b)</sup>	\$ <u>1,205,839</u>

<sup>(a)</sup> Includes the Certificates and excludes self-supporting general obligation debt.<sup>(b)</sup> Does not include delinquent tax collections, penalties and interest on delinquent tax collections or investment earnings.**COMPUTATION OF WATERWORKS AND SEWER SYSTEM SELF-SUPPORTING DEBT****TABLE 8**

Net System Revenues Available, Fiscal Year End September 30, 2023	\$ 5,531,824
Less: 2023 Annual Debt Service Requirements on Outstanding Revenue Bonds	-
Balance Available for Other Purposes	<u>\$ 5,531,824</u>
System General Obligation Debt for Fiscal Year Ended September 30, 2023	\$ 2,384,149
Percentage of System General Obligation Debt Self-Supporting	100%

**GENERAL OBLIGATION PRINCIPAL REPAYMENT SCHEDULE****TABLE 9***(As of July 1, 2024)*

Fiscal Year Ending 9/30	Principal Repayment Schedule			Obligations Unpaid at End of Year*	Percent of Principal Retired (%)*
	Currently Outstanding <sup>(a)</sup>	The Certificates*	Total*		
2024	\$ 2,075,000	-	\$ 2,075,000	\$ 131,669,000	1.55%
2025	5,915,000	\$ 325,000	6,240,000	125,429,000	6.22%
2026	5,040,000	1,845,000	6,885,000	118,544,000	11.36%
2027	5,160,000	1,405,000	6,565,000	111,979,000	16.27%
2028	5,180,000	1,465,000	6,645,000	105,334,000	21.24%
2029	5,405,000	1,535,000	6,940,000	98,394,000	26.43%
2030	5,585,000	1,600,000	7,185,000	91,209,000	31.80%
2031	5,810,000	1,675,000	7,485,000	83,724,000	37.40%
2032	5,820,000	1,755,000	7,575,000	76,149,000	43.06%
2033	6,035,000	1,830,000	7,865,000	68,284,000	48.94%
2034	6,260,000	1,915,000	8,175,000	60,109,000	55.06%
2035	5,855,000	2,005,000	7,860,000	52,249,000	60.93%
2036	5,410,000	2,090,000	7,500,000	44,749,000	66.54%
2037	5,590,000	2,185,000	7,775,000	36,974,000	72.35%
2038	5,105,000	2,290,000	7,395,000	29,579,000	77.88%
2039	5,025,000	2,395,000	7,420,000	22,159,000	83.43%
2040	3,470,000	2,500,000	5,970,000	16,189,000	87.90%
2041	2,020,000	2,610,000	4,630,000	11,559,000	91.36%
2042	2,105,000	2,735,000	4,840,000	6,719,000	94.98%
2043	125,000	2,855,000	2,980,000	3,739,000	97.20%
2044	125,000	2,985,000	3,110,000	629,000	99.53%
2045	125,000	-	125,000	504,000	99.62%
2046	125,000	-	125,000	379,000	99.72%
2047	125,000	-	125,000	254,000	99.81%
2048	125,000	-	125,000	129,000	99.90%
2049	129,000	-	129,000	-	100.00%
	<u>\$ 93,744,000</u>	<u>\$ 40,000,000</u>	<u>\$ 133,744,000</u>		

<sup>(a)</sup> Includes self-supporting debt.

\* Preliminary, subject to change.

**TABLE 10**

**CLASSIFICATION OF ASSESSED VALUATION<sup>(a)</sup>**

Category	2024	% of Total	2023	% of Total	2022	% of Total	2021	% of Total	2020	% of Total
Real, Residential, Single-Family	\$ 1,524,950,166	35.10%	\$ 1,490,057,064	34.61%	\$ 1,116,830,102	32.07%	\$ 873,818,208	33.15%	\$ 777,413,508	30.98%
Real, Residential, Multi-Family	225,503,010	5.19%	228,244,312	5.30%	160,951,491	4.62%	124,516,144	4.72%	99,206,785	3.95%
Real, Vacant Lots/Tracts	85,080,366	1.96%	101,115,286	2.35%	77,116,104	2.21%	40,309,608	1.53%	31,469,595	1.25%
Real, Acreage (Land Only)	147,433,486	3.39%	149,756,895	3.48%	135,006,528	3.88%	66,238,138	2.51%	68,287,562	2.72%
Real, Farm & Ranch Improvements	74,701,096	1.72%	71,378,978	1.66%	58,814,653	1.69%	42,491,685	1.61%	41,481,974	1.65%
Real, Commercial	477,899,684	11.00%	445,272,405	10.34%	398,068,724	11.43%	315,900,793	11.98%	310,386,067	12.37%
Real, Industrial	515,560,456	11.87%	478,391,085	11.11%	447,614,115	12.85%	299,364,286	11.36%	302,284,835	12.04%
Real & Tangible, Personal Utilities	61,573,992	1.42%	53,178,724	1.24%	48,890,944	1.40%	45,589,970	1.73%	39,976,280	1.59%
Tangible Personal, Commercial	282,790,732	6.51%	254,103,848	5.90%	214,392,915	6.16%	217,414,256	8.25%	216,627,051	8.63%
Tangible Personal, Industrial	526,041,353	12.11%	699,626,047	16.25%	472,558,265	13.57%	358,175,702	13.59%	382,954,940	15.26%
Tangible Personal, Mobile Homes	5,201,653	0.12%	6,375,718	0.15%	4,101,644	0.12%	2,441,684	0.09%	1,634,220	0.07%
Real, Property / Residential Inventory	17,738,487	0.41%	1,491,156	0.03%	18,787,674	0.54%	13,380,280	0.51%	7,024,134	0.28%
Special Inventory	8,497,541	0.20%	9,300,048	0.22%	8,378,992	0.24%	6,681,170	0.25%	6,137,950	0.24%
Totally Exempt Property	391,286,046	9.01%	316,575,542	7.35%	321,371,942	9.23%	229,855,806	8.72%	224,897,404	8.96%
<b>Total Appraised Value</b>	<b>\$ 4,344,258,068</b>	<b>100.00%</b>	<b>\$ 4,304,867,108</b>	<b>100.00%</b>	<b>\$ 3,482,884,093</b>	<b>100.00%</b>	<b>\$ 2,636,177,730</b>	<b>100.00%</b>	<b>\$ 2,509,782,305</b>	<b>100.00%</b>
<b>Less Exemptions:</b>										
Local, Over-65 and/or Disabled	\$ 5,670,021		\$ 5,479,520		\$ 5,392,733		\$ 5,388,940		\$ 5,266,440	
Local, Optional Percentage Homestead	18,337,834		17,427,731		15,974,759		15,618,575		15,246,239	
Disabled and Deceased Veterans	22,045,457		14,906,081		12,444,103		9,559,796		7,958,231	
Pollution Control	29,277,010		29,130,539		26,802,415		22,721,807		26,448,092	
Productivity Loss	142,408,850		145,149,884		133,406,776		64,526,994		66,455,550	
Tax Abatement	150,863,381		197,608,582		-		30,677,675		35,110,411	
Value Cap Loss (10%)	173,390,452		222,314,973		131,192,659		74,224,286		66,132,850	
Historical / Minimal Value & Other	2,774,397		2,281,504		1,842,168		2,215,147		2,594,976	
Totally Exempt Property	395,206,994		323,254,446		321,722,780		229,855,806		224,897,404	
Total Exemptions	\$ 939,974,396		\$ 957,553,260		\$ 648,778,393		\$ 454,789,026		\$ 450,110,193	
<b>Net Taxable Assessed Valuation</b>	<b>\$ 3,404,283,672</b>		<b>\$ 3,347,313,848</b>		<b>\$ 2,834,105,700</b>		<b>\$ 2,181,388,704</b>		<b>\$ 2,059,672,112</b>	

<sup>(a)</sup> Assessed Valuations may change during the year due to various supplements and protests, and valuations on a later date or in other tables of this Official Statement may not match those shown on this table.

Source: The Issuer, Texas Comptroller of Public Accounts and Ellis Appraisal District

**PRINCIPAL TAXPAYERS**

**TABLE 11**

<u>Name</u>	<u>Type of Business/Property</u>	<u>2024 Net Taxable Assessed Valuation</u>	<u>% of Total 2024 Assessed Valuation</u>
CVS Texas Distribution LP	Pharmacy Retailer Distribution	\$ 80,700,165	2.37%
Ennis Power Company, LLC	Electric Power Generation	74,026,000	2.17%
Sterilite Corporation	Plastic Container Manufacturing	61,897,173	1.82%
Freshpet Inc.	Manufacturing	60,874,747	1.79%
Elk Roofing Products	Fiberglass Roofing Materials	47,931,059	1.41%
Spyglass Apartments of Ennis LC	Apartments	34,163,091	1.00%
Ennis-Flint, Inc	Manufacturing	32,228,398	0.95%
Leggett & Platt Inc #0003	Bedding Components Manufacturing	31,578,457	0.93%
Oncor Electric Delivery CO LLC	Utility	29,415,680	0.86%
Atlas Sound LP	Electronics Manufacturing	28,590,459	0.84%
	<b>Total</b>	<u>\$ 481,405,229</u>	<u>14.14%</u> *

\* Based on 2024 Net Taxable Assessed Valuation of \$ 3,404,283,672

Source: Ellis Appraisal District and the Issuer.

**PROPERTY TAX RATES AND COLLECTIONS <sup>(a)</sup>**

**TABLE 12**

<u>Tax Year</u>	<u>Net Taxable Assessed Valuation<sup>(b)</sup></u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>% Collections</u>		<u>Year Ended</u>
				<u>Current</u>	<u>Total</u>	
2014	1,410,087,870	0.6950	9,809,002	98.82%	99.95%	9/30/2015
2015	1,485,040,180	0.6692	9,931,494	98.86%	99.92%	9/30/2016
2016	1,554,960,425	0.6990	10,869,173	99.06%	99.85%	9/30/2017
2017	1,581,192,534	0.7100	11,215,175	99.14%	99.86%	9/30/2018
2018	1,655,513,192	0.7100	11,754,144	99.01%	99.84%	9/30/2019
2019	1,952,690,830	0.7240	14,146,718	98.45%	99.77%	9/30/2020
2020	2,059,672,112	0.7240	14,956,587	99.04%	99.04%	9/30/2021
2021	2,181,388,704	0.7240	15,697,545	98.94%	99.46%	9/30/2022
2022	2,834,105,700	0.6940	19,518,413	97.31%	98.07%	9/30/2023
2023	3,347,313,848	0.6640	21,073,263	96.64% <sup>(c)</sup>	97.34% <sup>(c)</sup>	9/30/2024
2024	3,404,283,672					

<sup>(a)</sup> See "CITY APPLICATION OF THE PROPERTY TAX CODE" in the Official Statement for a description of the Issuer's taxation procedures.

<sup>(b)</sup> Assessed Valuations may change during the year due to various supplements and protests, and valuations on a later date or in other tables of this Official Statement may not match those shown on this table.

<sup>(c)</sup> Collections are as of June 18, 2024

Source: The Issuer and Municipal Advisory Council of Texas.

**TAX RATE DISTRIBUTION**

**TABLE 13**

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
General Fund	\$0.41500	\$0.42547	\$0.44547	\$0.44547	\$0.44987
I & S Fund	0.24900	0.26900	0.27900	0.27900	0.27461
TOTAL	<u>\$0.66400</u>	<u>\$0.69447</u>	<u>\$0.72447</u>	<u>\$0.72447</u>	<u>\$0.72447</u>

Sources: Ellis Appraisal District and the Issuer.

Fiscal Year	Net Taxable Assessed Valuation <sup>(a)</sup>	Change From Preceding Year	
		Amount	Percent
2015-16	\$ 1,485,040,180	\$ 74,952,310	5.32%
2016-17	1,554,960,425	69,920,245	4.71%
2017-18	1,581,192,534	26,232,109	1.69%
2018-19	1,655,513,192	74,320,658	4.70%
2019-20	1,952,690,830	297,177,638	17.95%
2020-21	2,059,672,112	106,981,282	5.48%
2021-22	2,181,388,704	121,716,592	5.91%
2022-23	2,834,105,700	652,716,996	29.92%
2023-24	3,347,313,848	513,208,148	18.11%
2024-25	3,404,283,672	56,969,824	1.70%

<sup>(a)</sup> Assessed Valuations may change during the year due to various supplements and protests, and valuations on a later date or in other tables of this Official Statement may not match those shown on this table.

Sources: The Issuer and the Ellis Appraisal District.

MUNICIPAL SALES TAX

The Issuer has adopted the provisions of Chapter 321, Texas Tax Code, as amended. In addition, some issuers are subject to a property tax relief and/or an economic and industrial development tax. The voters of the City approved the imposition of a 1/2% additional sales tax to be used for economic development purposes. Levy of the additional sales taxes began on April 1, 1996, and the City received its first payment in June 1996. The voters of the City approved the imposition of an additional 1/4 cent sales tax to be used for a Crime Control & Prevention District ("CCPD"). Levy began in April 2015 and the CCDD received its first payment in June 2015. At the same time the voters approved the imposition of an additional 1/4 cent sales tax to be used for street maintenance.

Collections on calendar year basis are as follows:

Fiscal Year	City of Ennis (1%)	Ennis Economic Development Corporation (3/4%)	Street Maintenance (1/4%)	CCPD (1/4%)	Total Sales Tax Collections	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate
2014	3,013,261	1,506,630	-	-	4,519,891	46.08%	0.32
2015	2,885,767	1,442,884	721,442	427,415	5,477,507	50.85%	0.35
2016	3,433,655	1,716,827	858,414	794,382	6,803,277	55.28%	0.38
2017	3,534,853	1,767,427	883,713	838,451	7,024,444	55.16%	0.39
2018	3,663,459	1,831,730	915,865	868,081	7,279,135	54.54%	0.39
2019	3,628,929	1,814,465	907,232	838,620	7,189,246	44.89%	0.32
2020	4,177,080	2,088,540	1,044,270	1,009,074	8,318,964	48.87%	0.35
2021	5,419,431	2,709,715	1,354,858	1,311,740	10,795,744	60.42%	0.44
2022	7,372,310	3,686,155	1,843,078	1,786,798	14,688,341	66.10%	0.46
2023	6,897,614	3,448,807	1,724,404	1,671,224	13,742,049	57.28%	0.38
2024*	3,112,044	1,556,022	778,011	754,183	6,200,259		

Source: Texas Comptroller of Public Accounts website and the Issuer.

Note: The Comptroller's website figures list sales tax revenues in the month they are delivered to the City, which is two months after they are generated/collected.

\* As of June, 2024.

**OVERLAPPING DEBT**

**TABLE 16**

(As of July 1, 2024)

<u>Taxing Entity</u>	<u>Gross Debt Principal</u>	<u>% Overlapping</u>	<u>Amount Overlapping</u>
Ellis County	\$ 23,885,000	10.12%	\$ 2,417,162
Ennis Independent School District	76,226,609	75.25%	57,360,523
Palmer Independent School District	15,660,000	0.24%	37,584
Waxahachie Independent School District	594,377,772	0.20%	1,188,756
Total Gross Overlapping Debt Principal			\$ 61,004,025
Ennis, City of (Following the issuance of the Certificates)	133,744,000 <sup>(a)*</sup>	100.00%	133,744,000 <sup>(a)*</sup>
Total Direct and Overlapping Debt Principal			\$ <u>194,748,025</u> <sup>(a)*</sup>
Ratio of Direct and Overlapping Debt Principal to 2024 Net Taxable Assessed Valuation			5.72% <sup>(a)*</sup>
Ratio of Direct and Overlapping Debt Principal to 204 Actual Assessed Value			4.48% <sup>(a)*</sup>
Per Capita Direct and Overlapping Debt Principal			\$7,624 <sup>(a)*</sup>
Note: The above figures show <b>Gross</b> General Obligation Debt Principal for the City			
The Issuer's <b>Net</b> General Obligation Debt Principal is:			\$ <u>76,165,000</u> *
Calculations on the basis of Net General Obligation Debt would change the above figures as follows:			
Total Net Direct and Overlapping Debt			\$ <u>137,169,025</u> *
Ratio of Direct and Overlapping Debt Principal to 2023 Net Taxable Assessed Valuation			4.03% *
Ratio of Direct and Overlapping Debt Principal to 2023 Actual Assessed Value			3.16% *
Per Capita Net Direct and Overlapping Debt Principal			\$5,370 *

<sup>(a)</sup> Includes the Certificates

\* Preliminary, subject to change

Sources: Municipal Advisory Council of Texas.

**ASSESSED VALUATION AND TAX RATE OF OVERLAPPING ENTITIES**

**TABLE 17**

<u>Governmental Entity</u>	<u>2023 Net Taxable Assessed Valuation</u>	<u>% of Actual</u>	<u>2023 Tax Rate</u>
Ellis County	\$ 33,034,865,202	100%	\$0.2530
Ennis Independent School District	4,180,535,352	100%	1.2180
Palmer Independent School District	508,768,533	100%	1.0530
Waxahachie Independent School District	8,253,435,409	100%	1.1700

Source: Municipal Advisory Council of Texas.

**AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS OF DIRECT AND OVERLAPPING GOVERNMENTAL ENTITIES**

**TABLE 18**

Ellis County	None
Ennis ISD	None
Palmer ISD	None
Waxahachie ISD	None
Ennis, City	None

Sources: Municipal Advisory Council of Texas.

**GENERAL FUND COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES  
AND ANALYSIS OF CHANGES IN FUND BALANCES**

**TABLE 19**

	<b>Fiscal Year Ended September 30</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>					
Property Taxes	\$ 11,144,223	\$ 9,487,407	\$ 9,083,314	\$ 8,715,583	\$ 7,810,673
Sales Taxes	6,946,765	7,235,358	4,956,036	4,283,703	3,598,266
Franchise Taxes	2,037,382	1,933,079	1,694,133	1,640,222	1,494,793
Alcoholic Beverage Taxes	93,764	76,540	77,564	49,051	52,512
Licenses and Permits	1,453,090	1,339,129	1,328,324	700,874	457,282
Fines, Forfeits and Penalties	245,640	230,783	238,214	319,623	409,817
Charges for Services	249,416	283,334	219,555	215,684	239,467
Revenues from use of money and property	202,048	38,037	45,780	96,296	127,014
Other	424,013	1,171,840	354,922	491,357	409,405
Intergovernmental	<u>1,397,560</u>	<u>45,362</u>	<u>1,527,925</u>	<u>1,395,392</u>	<u>661,141</u>
<b>Total Revenues</b>	<b>\$ 24,193,901</b>	<b>\$ 21,840,869</b>	<b>\$ 19,525,767</b>	<b>\$ 17,907,785</b>	<b>\$ 15,260,370</b>
<b>Expenditures:</b>					
General Government	\$ 6,879,081	\$ 4,888,358	\$ 4,344,344	\$ 4,606,569	\$ 3,011,243
Public Safety	14,155,040	12,667,435	11,872,616	11,732,611	10,762,410
Streets	1,108,461	1,117,740	1,168,734	1,211,476	1,157,857
Health	650,469	552,285	503,483	536,061	548,751
Equipment Service	271,091	333,397	299,006	322,337	900,753
Cultural and Recreation	2,030,967	1,780,886	1,523,378	1,654,224	1,529,166
Airport	-	624,213	-	-	-
Public Works	666,705	815,913	545,770	510,564	324,467
Capital Outlay	5,203,264 *	-	-	-	-
Debt Service	<u>36,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,002</u>
<b>Total Expenditures</b>	<b>\$ 31,002,074</b>	<b>\$ 22,780,227</b>	<b>\$ 20,257,331</b>	<b>\$ 20,573,842</b>	<b>\$ 18,322,649</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>\$ (6,808,173)</b>	<b>\$ (939,358)</b>	<b>\$ (731,564)</b>	<b>\$ (2,666,057)</b>	<b>\$ (3,062,279)</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	2,649,434	4,024,006	3,610,362	4,132,542	4,264,468
Operating Transfers Out	(629,478)	-	(266,307)	(677,793)	-
Leases	295,123	254,046	-	-	-
Sale of capital assets	<u>5,512</u>	<u>62,420</u>	<u>-</u>	<u>48,318</u>	<u>14,800</u>
<b>Total Other Financing Sources (Uses):</b>	<b>2,320,591</b>	<b>4,340,472</b>	<b>3,344,055</b>	<b>3,503,067</b>	<b>4,279,268</b>
<b>Net Change in Fund Balance</b>	<b>\$ (4,487,582)</b>	<b>\$ 3,401,114</b>	<b>\$ 2,612,491</b>	<b>\$ 837,010</b>	<b>\$ 1,216,989</b>
Fund Balance - Beginning of Year	<u>\$ 14,926,142</u>	<u>\$ 11,525,028</u>	<u>\$ 8,912,537</u>	<u>\$ 8,075,527</u>	<u>\$ 6,858,538</u>
Fund Balance - End of Year	<u>\$ 10,438,560</u>	<u>\$ 14,926,142</u>	<u>\$ 11,525,028</u>	<u>\$ 8,912,537</u>	<u>\$ 8,075,527</u>

\*The majority of the 2023 Capital Outlay Expenditures consist of the following one time expenses: Purchase and Renovation of City Hall-\$4,252,749; Improvement to the Public Works Facility -\$233,475 and Improvements to the Equipment Services Facility-\$198,563.

*The City anticipates an unaudited general fund balance of \$9,000,000 for the fiscal year ending September 30, 2024. The estimated general fund draw down in Fiscal Year 2024 is the result of approximately \$1,400,000 of one time expenses and Council's decision to manage the fund balance closer to the 25% fund balance policy.*

Source: The Issuer

**FUND BALANCES**

**TABLE 20**

	<b>Audited</b>	<b>Unaudited</b>
	<b>As of 9/30/2023</b>	<b>As of 6/18/2024</b>
General Fund	\$ 10,438,560	\$ 12,700,900
Special Revenue Fund	3,291,028	3,539,286
Capital Projects Fund (General Fund)	23,750,042	27,197,333
General Obligation Interest and Sinking Fund (Debt Service)	161,217	3,076,157
Water & Sewer General Operating Fund (Investments & Assets)	45,012,367	44,726,520
Capital Projects Fund (Water & Sewer)	<u>15,615,475</u>	<u>10,831,127</u>
<b>Total Fund Balances</b>	<b>\$ 98,268,689</b>	<b>\$ 102,071,323</b>

**WATERWORKS AND SEWER SYSTEM OPERATING STATEMENT**

**TABLE 21**

	<b>Fiscal Year Ended September 30</b>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Operating Revenues plus Interest Income	\$ 13,324,718	\$ 12,030,012	\$ 11,263,892	\$ 10,672,175	\$ 10,432,409
Total Expenses less Depreciation/Amortization	<u>7,792,894</u>	<u>7,089,328</u>	<u>6,305,142</u>	<u>6,632,093</u>	<u>5,980,676</u>
<b>Available for Debt Service</b>	<u>\$ 5,531,824</u>	<u>\$ 4,940,684</u>	<u>\$ 4,958,750</u>	<u>\$ 4,040,082</u>	<u>\$ 4,451,733</u>
Annual Revenue Bond Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage of Annual Revenue Bond Requirements	N/A	N/A	N/A	N/A	N/A
Annual Requirements on all Bonds Paid from System Revenues	\$ 2,384,149	\$ 2,244,729	\$ 2,244,924	\$ 2,248,885	\$ 2,256,705
Coverage of Annual Requirements on all Bonds Paid from System Revenues	2.32X	2.20X	2.21X	1.80X	1.97X
Customer Count:					
Water	7,307	7,134	7,044	6,564	6,245
Sewer	6,709	6,432	6,228	6,045	5,641

**WATER RATES**

**TABLE 22**

<b>Current Rates</b>		
<i>(Rates Effective October 1, 2022)</i>		
<u>Residential</u>		<u>New Rates</u>
Monthly Minimum Per One Family Unit		\$ 23.81
Additional Cost Per 1,000 Gallons to 6,000 Gallons		\$ 3.11
Additional Cost Per 7,000 Gallons to 10,000 Gallons		\$ 4.66
Additional Cost Per 11,000 Gallons to 20,000 Gallons		\$ 5.43
Additional Cost Per 1,000 Gallons over 20,000 Gallons		\$ 6.21
 <u>Commercial</u>		
Monthly Minimum Per One Family Unit (Apartments)		
or commercial unit Additional Cost per 1,000 Gallons of Water	3/4"	\$ 25.57
	1"	\$ 46.90
	1 1/2"	\$ 85.26
	2"	\$ 130.33
	3"	\$ 338.60
	4"	\$ 577.32
	6"	\$ 1,222.86
	8"	\$ 2,131.48
	10"	\$ 3,196.01
Consumption Rate (per 1,000 gallons)		\$ 2.83

Source: City of Ennis, Texas website.



**PRINCIPAL WATER CUSTOMERS****TABLE 23***(October 1, 2022 to September 30, 2023)*

<u>Name of Customer</u>	<u>Average Annual Consumption (Gallons)</u>	<u>2023 % of Total Water Gallons Used</u>	<u>Average Monthly Bill</u>
Elk Corporation of Texas	80,804,000	7.54%	\$ 21,187.76
Community Water	23,606,000	2.20%	11,778.15
East Garrett Water (47-0397-00)	22,515,000	2.10%	11,238.69
East Garrett Water (47-0457-00)	25,966,000	2.42%	12,949.81
Rice Water Company	18,409,000	1.72%	9,202.80
Ennis Acquisitions	25,735,000	2.40%	6,646.49
Sterilite	24,944,000	2.33%	7,105.49
East Garrett Water (47-0286-00)	11,387,000	1.06%	5,721.05
Silverton Village Town Homes	20,648,000	1.93%	7,318.02
Fresh Pet	45,304,000	4.23%	12,684.95
<b>Totals</b>	<b>299,318,000</b>	<b>27.93%</b>	<b>\$ 105,833.21</b>

Total Water Consumption for FY 2023      1,071,698,000 Gallons.

**SEWER RATES****TABLE 24**

**Current Rates**  
*(Rates Effective October 1, 2022)*

	<u>New Rates</u>
<b>Residential</b>	
Monthly Minimum Per One Family Unit (Including Apartments)	\$ 28.71
Additional Cost Per 1,000 Gallons of Water Over 1,000 Gallons up to and Including 6,000 Gallons	\$ 3.12
<b>Commercial</b>	
Monthly Minimum Per Commercial Unit	\$ 35.57
Additional Cost Per 1,000 Gallons of Water Over 1,000 Gallons	\$ 3.42

Source: City of Ennis, Texas website.

**PRINCIPAL SEWER CUSTOMERS****TABLE 25***(October 1, 2022 to September 30, 2023)*

<u>Name of Customer</u>	<u>Average Annual Consumption (Gallons)</u>	<u>2023 % of Total Sewer Gallons Used</u>	<u>Average Monthly Bill</u>
Elk Corporation of Texas	80,804,000	9.76%	\$ 23,061.29
Silverton Village Town Homes	20,648,000	2.49%	10,705.18
Ennis Acquisitions, Inc.	25,735,000	3.11%	7,366.63
Sterilite	24,944,000	3.01%	7,141.19
Spyglass Apartments	10,766,000	1.30%	7,571.26
Valek Rd Associates, LLC	6,275,000	0.76%	4,252.51
Grace Townhomes	6,811,000	0.82%	4,675.64
McWhorter Technologies	7,886,000	0.95%	2,279.66
Creekside Terrace Apartments	6,441,000	0.78%	3,446.11
Ennis MPH, LLC	6,062,000	0.73%	3,799.88
<b>Totals</b>	<b>196,372,000</b>	<b>23.71%</b>	<b>\$ 74,299.35</b>

Total Sewer Consumption for FY 2023      828,130,000 Gallons.

Source: Information from the Issuer

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**APPENDIX B**

**GENERAL INFORMATION REGARDING THE CITY OF ENNIS AND ELLIS COUNTY, TEXAS**

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## GENERAL INFORMATION REGARDING THE CITY OF ENNIS AND ELLIS COUNTY, TEXAS

### General

The City of Ennis, Texas (the "City") is a commercial and industrial center located in north central Texas's Ellis County. The City has always shared the good fortune of proximity to the Dallas-Fort Worth Metroplex (DFW) and its location at the convergence of major transportation routes. The combined Dallas-Fort Worth-Arlington economy is the 4th largest economy in the United States (US Department of Commerce).

Ennis is strategically located at the intersection of Interstate 45 and State highway 287. Downtown Dallas is 35 miles north and downtown Fort Worth is 57 miles to the northwest. Traffic from these cities and related suburbs traverse the two highways to Houston, 205 miles to the south.

The genesis of Ennis was as a railway hub and rail transportation continues to be a major asset to the City's economy. From Ennis, rail access extends in all four major directions and accentuates the attractiveness of the City to business dependent upon multiple forms of transportation.

Ennis is home to 650 businesses employing more than 8,500 people. Home to a diverse industrial base including information technology, manufacturers, processors, and distribution centers. The manufacturing facilities produce and distribute plastics, electronic components, bedding and furniture, structural steel, roofing and siding, traffic solutions, and drilling/pipeline products. Other businesses located within the City's boundaries include a regional medical center, financial institutions, Texas Motorplex, Bardwell Lake, Sugar Ridge Winery, retail stores, and restaurants.

Encompassing an area of 939.90 square miles, the central Texas county of Ellis (the "County") is a component of the Dallas-Fort Worth Consolidated Metropolitan Statistical Area (CMSA) and is traversed by Interstate Highways 35E and 45, United States Highways 77 and 287, State Highways 34 and 342 and 13 farm-to-market roads. The City of Waxahachie, with 2024 estimated population of 48,843 serves as the County seat. Additional cities within the County include Midlothian, Ferris, Italy, Palmer and Red Oak. Major industries within the County include warehousing, steel production, government, distribution center and cement production. Major minerals include sand, gravel, gas and cement, and agricultural products include nursery crops, corn, hay, cotton and cattle.



### Population Trends

<u>Year</u>	<u>City of Ennis</u>	<u>Ellis County</u>
2024 Estimate	25,544	222,829
2020 Census	20,159	192,455
2010 Census	18,513	149,610
2000 Census	16,045	111,360
1990 Census	13,883	85,167
1980 Census	12,100	59,743
1970 Census	11,046	46,638

Sources: North Central Texas Council of Governments.

## Major Employers in the City of Ennis-2023

<u>Employer</u>	<u>Principal Line of Business/Product</u>	<u>Estimated Number of Employees (2023)</u>
Ennis Independent School District	Public Education	778
Sterilite Corporation of Texas	Plastic Storage Containers	650
Leggett Partners LP	Furniture Components	350
GAF	Roofing Shingles Manufacturing	290
Wal-Mart	Retail Sales	250
CVS Texas Distribution LP	Retain Sales	268
Freshpet Inc.	Manufacturing	300
Schirm USA, Inc.	Packaging Company/Petro Chemicals	212
Ennis Extruded Products	Manufacturing	150
Advanced Drainage Systems Inc.	Manufacturing	125

Source: *The Issuer*

## Labor Force Statistics - Ellis County

	<u>Ellis County</u>		<u>Dallas-Fort Worth- Arlington MSA</u>	
	<u>May</u>	<u>May</u>	<u>May</u>	<u>May</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Civilian Labor Force	107,440	105,657	4,424,819	4,351,681
Total Employed	103,673	101,885	4,266,276	4,193,492
Total Unemployed	3,767	3,772	158,543	158,189
% Unemployed	3.5%	3.6%	3.6%	3.6%
% Unemployed (Texas)	3.8%	3.9%	3.8%	3.9%
% Unemployed (US)	3.7%	3.4%	3.7%	3.4%

Source: *Texas Workforce Commission, Labor Market Information Department.*

**APPENDIX C**

**FORM OF LEGAL OPINION OF BOND COUNSEL**

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**Proposed Form of Opinion of Bond Counsel**

*An opinion in substantially the following form will be delivered by  
McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Certificates,  
assuming no material changes in facts or law.*

[ISSUE DATE]

**CITY OF ENNIS, TEXAS  
COMBINATION TAX AND LIMITED PLEDGE REVENUE  
CERTIFICATES OF OBLIGATION  
SERIES 2024  
DATED AUGUST 1, 2024  
IN THE PRINCIPAL AMOUNT OF \$ \_\_\_\_\_**

---

**AS BOND COUNSEL FOR THE CITY OF ENNIS, TEXAS** (the “Issuer”) in connection with the issuance of the Certificates of Obligation described above (the “Certificates”), we have examined into the legality and validity of the Certificates, which bear interest from the dates and mature on the dates, and are subject to redemption, in accordance with the terms and conditions stated in the text of the Certificates. Terms used herein and not otherwise defined shall have the meaning given in the Ordinance of the Issuer authorizing the issuance and sale of the Certificates (the “Ordinance”).

**WE HAVE EXAMINED** the Constitution and laws of the State of Texas, certified copies of the proceedings of the City Commission of the Issuer relating to the issuance of the Certificates, including the Ordinance and other documents authorizing and relating to the issuance of the Certificates; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one of the executed Certificates (Number T-1).

**BASED ON SAID EXAMINATION, IT IS OUR OPINION** that the Certificates have been duly authorized, issued and delivered, all in accordance with law; and that, except as may be limited by laws applicable to the Issuer relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights generally, or by general principles of equity and governmental immunity of political subdivisions which permit the exercise of judicial discretion, the Certificates will constitute valid and legally binding obligations of the Issuer, and ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates have been levied and pledged for such purpose, within the limit prescribed by law, and that the Certificates are additionally secured by and payable from limited surplus revenues (not to exceed \$1,000) of the Issuer's Waterworks and Sewer System remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the Issuer's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the Net Revenues of the Issuer's Waterworks and Sewer System, all as provided in the Ordinance.

**IT IS FURTHER OUR OPINION** that, except as discussed below, under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion, for federal income tax purposes, the interest on the Certificates (i) is excludable from the gross income of the owners thereof and (ii) the Certificates will not be treated as “specified private activity bonds”, the interest on which would be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). In expressing the aforementioned opinions, we have relied on, certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants regarding the use and investment of the proceeds of the Certificates and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or if the Issuer fails to comply with such covenants, interest on the Certificates may become includable in gross income retroactively to the date

of issuance of the Certificates.

**EXCEPT AS STATED ABOVE**, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Certificates, including the amount, accrual or receipt of interest on, the Certificates. Owners of the Certificates should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Certificates.

**WE CALL YOUR ATTENTION TO THE FACT** that the interest on tax-exempt obligations, such as the Certificates, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

**WE EXPRESS NO OPINION** as to any insurance policies issued with respect to the payments due for the principal of and interest on the Certificates, nor as to any such insurance policies issued in the future.

**OUR SOLE ENGAGEMENT** in connection with the issuance of the Certificates is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Certificates under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Certificates for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. 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, or the disclosure thereof in connection with the sale of the Certificates, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Certificates and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and assessed valuation of taxable property within, and the sufficiency of the pledged surplus net revenues of, the Issuer. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Certificates has been limited as described therein.

**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. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Certificates. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Certificates as includable in gross income for federal income tax purposes.

Respectfully,

**APPENDIX D**

**EXCERPTS FROM THE CITY OF ENNIS AUDITED FINANCIAL STATEMENTS FOR THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

(Independent Auditor's Report, Management's Discussion and Analysis, General Financial Statements and Notes to the Financial Statements - not intended to be a complete statement of the Issuer's financial condition. Reference is made to the complete Annual Financial Report for further information.)

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# City of Ennis, Texas

## Annual Comprehensive Financial Report

For the Fiscal Year Ended  
September 30, 2023





**City of Ennis, Texas**  
**September 30, 2023**

**Contents**

**Introductory Section (Unaudited)**

Letter of Transmittal.....	i
GFOA Certificate of Achievement.....	iv
Organization Chart .....	v
Principal Officers.....	vi

**Financial Section**

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (Unaudited).....	4

**Basic Financial Statements**

Government-wide Financial Statements:

Statement of Net Position.....	16
Statement of Activities .....	17

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	18
Reconciliation of the Balance Sheet - Governmental Funds to the Government-wide Statement of Net Position .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	21
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	22
Statement of Net Position – Proprietary Funds .....	23
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	24
Statement of Cash Flows – Proprietary Funds .....	25
Notes to the Financial Statements .....	26

**City of Ennis, Texas**  
**September 30, 2023**

**Contents (Continued)**

**Required Supplementary Information**

Schedule of Changes in Net Pension Liability and Related Ratios .....	68
Schedule of Contributions .....	69
Schedule of Changes in Total OPEB Liability and Related Ratios .....	70

**Combining and Individual Fund Financial Statements and Schedules**

Combining Balance Sheet – Nonmajor Governmental Funds.....	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	74
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	77
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	80
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund .....	82
Statement of Net Position – Nonmajor Proprietary Funds .....	84
Statement of Revenues, Expenditures, and Changes in Net Position – Nonmajor Proprietary Funds .....	86
Statement of Cash Flows – Nonmajor Proprietary Funds .....	87
Schedule of Operating Revenues and Operating Expenses – Budget and Actual – Enterprise Fund – Utility .....	88
Schedule of Operating Revenues and Operating Expenses – Budget and Actual – Enterprise Fund – Sanitation .....	89
Schedule of Operating Revenues and Operating Expenses – Budget and Actual – Enterprise Fund – Airport .....	90
Statement of Net Position – Internal Service Funds .....	91
Statement of Revenues, Expenditures, and Changes in Net Position – Internal Service Funds .....	92
Statement of Cash Flows – Internal Service Funds .....	93



**City of Ennis, Texas**  
**September 30, 2023**

**Contents (Continued)**

**Statistical Section (Unaudited)**

Net Position by Component.....	95
Changes in Net Position .....	96
Fund Balances – Governmental Funds .....	97
Changes in Fund Balances – Governmental Funds .....	98
Appraised Value of Property .....	99
Direct and Overlapping Property Tax Rates – All Governments .....	100
Principal Property Taxpayers .....	102
Property Tax Levies and Collections.....	103
Legal Debt Margin Information .....	104
Ratios of Outstanding Debt by Type .....	105
Direct and Overlapping Governmental Activities Debt .....	106
Ratios of Net General Bonded Debt to Assessed Value and Net Value Bonded Debt Per Capita .....	107
Pledged Revenue Coverage .....	108
Demographic and Economic Statistics .....	109
Principal Employers .....	110
Full-Time Equivalents /City Government Employees by Function/Program .....	111
Operating Indicators by Function/Program .....	112
Capital Asset Statistics by Function/Program .....	113

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P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086  
[www.ennistx.gov](http://www.ennistx.gov)

March 27, 2024

To the Honorable Mayor, Members of the City Commission, and Citizens of the City of Ennis, Texas:

State and Federal regulations require that local governments publish a complete set of audited financial statements within six months of each fiscal year's close. This Annual Comprehensive Financial Report (ACFR) for the City of Ennis (City) is published to fulfill those requirements for the fiscal year ended September 30, 2023. Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. FORVIS, LLP, Certified Public Accountants, has issued unmodified ("clean") opinions on the City of Ennis' financial statements for the year ended September 30, 2023. The independent auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE CITY OF ENNIS**

The City, incorporated in 1872, is located 30 miles south of Dallas in Ellis County. The City has a land area of 28.06 square miles and a population of approximately 24,123, as estimated by the United States Census Bureau. The City has operated under the Commission-Manager form of government since 1956. Policy-making and legislative authority are vested in a governing body (City Commission) consisting of the mayor and six commission members, all elected through popular vote. Commission members serve three-year terms, with five of the commissioners elected by single-member ward and the mayor and mayor pro-tem elected at large. Terms of the commission members are staggered so that an election is held every year.

The City provides a full range of services. These include public safety (police and fire), municipal court, sanitation, parks, library, public works, and general administrative services. In addition, the City owns and operates a water distribution system, wastewater collection system, and an airport.



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The Commission is required to adopt an initial budget for the fiscal year during September of each year for the new budget year, beginning on October 1. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and department. The City Manager is authorized by ordinance to make intra-departmental and inter-departmental fund transfers within a fund as becomes necessary to avoid over-expenditure of a particular account or department. The City Charter provides that the City Commission may amend the budget in the same manner in which the budget is approved.

## **LOCAL ECONOMY**

The City has always shared the good fortune of proximity to the Dallas-Fort Worth Metroplex (DFW) and its location at the convergence of significant transportation routes. At the same time, far enough away to enjoy lower business operating and living costs. Ennis is strategically located at the intersection of Interstate 45 and State highway 287. Traffic from DFW traverse these highways to Houston, 205 miles to the South. Ennis started as a railway hub, and rail transportation continues to be a major asset to the City's economy. From Ennis, rail access extends in all four cardinal directions and accentuates the City's attractiveness to business dependent upon multiple forms of transportation.

Ennis is home to 650 businesses employing more than 8,500 people. Home to a diverse industrial base including information technology, manufacturers, processors, and distribution centers. The manufacturing facilities produce and distribute plastics, electronic components, bedding and furniture, structural steel, roofing and siding, traffic solutions, and drilling/pipeline products. Other businesses located within the City's boundaries include a regional medical center, financial institutions, Texas Motorplex, Bardwell Lake, Sugar Ridge Winery, retail stores, and restaurants.

Due to the strong local economy, the City has a tax bond credit rating of AA- from Standard & Poor's.

The City is experiencing a period of significant growth and investment. New development and re-development throughout the downtown and surrounding areas have allowed Ennis to become a hub for the region. This development, combined with retail and service industries, the presence of recreational, educational, and health facilities, has even further strengthened the City's already strong economic base.



*The bluebonnet spirit of Texas*

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## **LONG-TERM FINANCIAL PLANNING**

In 2014, the City began formulating a comprehensive plan to establish a direction for the foreseeable future. Community input has been considerable and has provided significant insight into a collective view for quality of life, economic development, and sustainability. Visible progress on the Downtown Master Plan is already paying dividends in terms of occupancy and business activity.

Internally, the Staff is formulating financial-planning models to support the long-term planning effort. Each possible program addition or change is analyzed in terms of the impact over a five-year window as a part of the decision-making process. The models also enable the City to make assumptions about the future debt capacity of the operational funds. The ability to determine current resources and future debt proceeds will enable the City to move forward with a new Capital Improvement Program. Major capital improvements have and will be funded through the issuance of long-term debt instead of being funded via appropriations in the operating budget.

This report's preparation could not be accomplished on a timely basis without the Finance Staff and the independent auditors' efficient and dedicated endeavors. We want to express our sincere appreciation to all employees who contributed to the preparation. We would also like to thank the Mayor and City Commission for their continued support in planning and conducting the City's financial operations responsibly and progressively.

Respectfully submitted,

Marty Nelson  
City Manager

Stephen Barnes  
Director of Finance

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**City of Ennis, Texas**  
**GFOA Certificate of Achievement**  
**September 30, 2023**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Ennis  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

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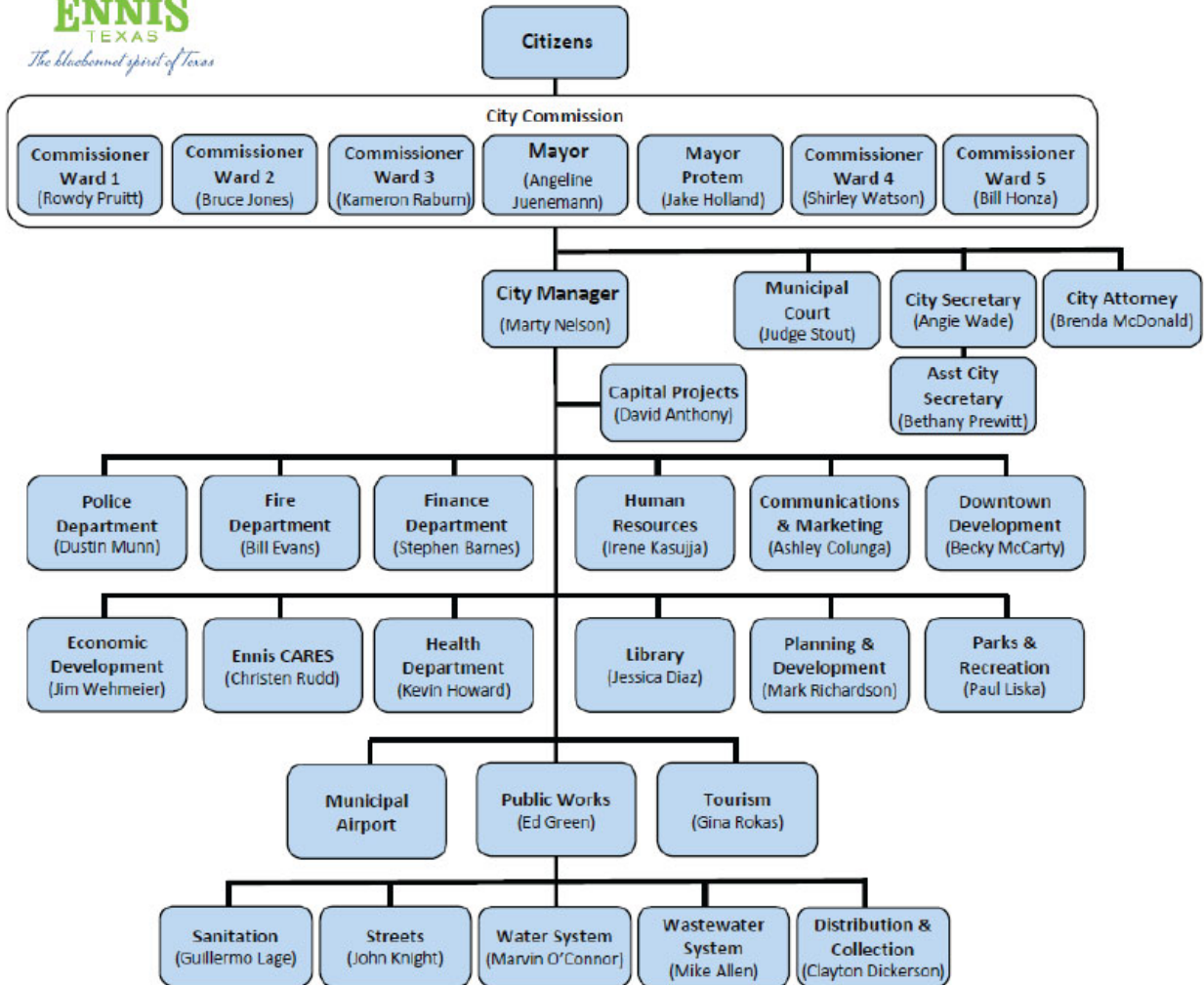
# City of Ennis, Texas

## Organizational Chart

September 30, 2023



### Organizational Chart



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**City of Ennis, Texas**  
**List of Elected Officials, Administrators, and Consultants**  
**September 30, 2023**

Mayor (at large)	Angeline Jueneman
Mayor Pro Tem (at large)	Jake Holland
Commissioner – Ward 1	Rowdy Pruitt
Commissioner – Ward 2	Bruce Jones
Commissioner – Ward 3	Kameron Raburn
Commissioner – Ward 4	Shirley Watson
Commissioner – Ward 5	Bill Honza

**ADMINISTRATION**

City Manager	Marty Nelson
City Secretary	Angie Wade
Police Chief	Dustin Munn
Fire Chief	Bill Evans
Finance Director	Stephen Barnes
Communications & Marketing Director	Ashley Colunga
Downtown Development Director	Becky McCarty
Economic Development Director	Jim Wehmeier
Ennis CARES Coordinator	Christen Rudd
Health Director	Kevin Howard
Library Director	Jessica Diaz
Planning & Development Director	Mark Richardson
Parks & Recreation Director	Paul Liska
Director of Public Works	Ed Green
Tourism Director	Gina Rokas
City Attourney	Messer, Rockfeller, & Fort, PLLC
Auditors	FORVIS, LLP

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## **Financial Section**

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## Independent Auditor's Report

The Honorable Mayor and City Commissioners  
City of Ennis, Texas  
Ennis, Texas

### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ennis, Texas (City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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



### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**FORVIS, LLP**

**Dallas, Texas  
March 27, 2024**

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**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

As management of the City of Ennis, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023.

***Financial Highlights***

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$119,300,616 (*net position*). Of this amount, \$20,220,627 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$15,472,844.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$57,067,083, a decrease of \$3,192,658 in comparison with the prior year primarily a result of bond proceeds spent during the year on capital projects throughout the City. Approximately 18 percent of this amount \$10,371,821 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,377,383, or approximately 33 percent of the total general fund expenditures.

***Overview of the Financial Statements***

The *management's discussion and analysis* provided here are intended to serve as an introduction to the City's *basic financial statements*. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

**Government-wide Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets, health, equipment services, cultural and recreational, hospital, and public works. The business-type activities of the City include water, sewer, sanitation, and airport operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. Complete financial statements for the component unit are available from the City Finance Director upon request.

The government-wide financial statements can be found on pages 16-17 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, QIPP Fund, General Capital Projects Fund, and the Debt Service Fund, which are considered to be major funds. Data from the other twenty-three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-22 of this report.

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

**Proprietary Funds.** The City maintains two types of proprietary funds. The *enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the enterprise funds to account for its water and sewer, sanitation, and airport operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the management of its self-insurance. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility fund, which is considered to be a major fund of the City. Data from the other two enterprise funds are combined into a single aggregated presentation. Data for the internal service fund is also presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-67 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligations to provide pension and supplemental death benefits to its employees. Required supplementary information can be found on pages 68-70 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 73-93 of this report.

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

**Government-wide Overall Financial Analysis**

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$119,300,616, at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 72,116,806	\$ 77,324,052	\$ 25,144,242	\$ 27,242,044	\$ 97,261,048	\$ 104,566,096
Capital assets	105,778,193	96,481,943	57,546,127	52,377,527	163,324,320	148,859,470
Total assets	177,894,999	173,805,995	82,690,369	79,619,571	260,585,368	253,425,566
Total deferred outflows of resources	8,348,447	3,014,312	2,043,168	712,305	10,391,615	3,726,617
Long term liabilities	102,879,112	97,795,051	32,638,604	31,615,732	135,517,716	129,410,783
Other liabilities	11,403,329	14,335,161	3,847,501	3,817,206	15,250,830	18,152,367
Total liabilities	114,282,441	112,130,212	36,486,105	35,432,938	150,768,546	147,563,150
Total deferred inflows of resources	765,255	4,629,578	142,566	1,131,683	907,821	5,761,261
Net position						
Net investment in capital assets	39,784,516	29,775,266	41,649,621	40,714,128	81,434,137	70,489,394
Restricted	17,645,852	12,505,972	-	-	17,645,852	12,505,972
Unrestricted	13,765,382	17,779,279	6,455,245	3,053,127	20,220,627	20,832,406
Total net position	\$ 71,195,750	\$ 60,060,517	\$ 48,104,866	\$ 43,767,255	\$ 119,300,616	\$ 103,827,772

By far, the largest portion of the City's net position (68.26 percent) reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (14.79 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20,220,627 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's total net investment in capital assets increased as the additions from capital outlays and work-in-progress exceeded capital related debt issued, depreciation, and retirements.

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

The City's overall net position increased \$15,472,844 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 308,157,515	\$ 223,506,754	\$ 15,213,008	\$ 13,878,836	\$ 323,370,523	\$ 237,385,590
Operating grants and contributions	1,468,417	2,861,286	-	53,989	1,468,417	2,915,275
Capital grants and contributions	5,532,214	3,462,565	1,959,294	2,052,038	7,491,508	5,514,603
General revenues						
Property taxes	19,450,555	15,820,591	-	-	19,450,555	15,820,591
Sales taxes	10,360,250	10,771,085	-	-	10,360,250	10,771,085
Franchise taxes	2,037,382	1,933,079	-	-	2,037,382	1,933,079
Hotel occupancy taxes	533,543	490,768	-	-	533,543	490,768
Alcoholic beverage taxes	93,764	76,540	-	-	93,764	76,540
Grants and contributions not restricted to specific programs	-	-	2,276,597	2,772,566	2,276,597	2,772,566
Investment earnings	345,584	93,741	169,958	91,511	515,542	185,252
Gain on sale of capital assets	236,193	-	-	113,412	236,193	113,412
Miscellaneous	434,456	885,177	-	-	434,456	885,177
<b>Total revenues</b>	<b>348,649,873</b>	<b>259,901,586</b>	<b>19,618,857</b>	<b>18,962,352</b>	<b>368,268,730</b>	<b>278,863,938</b>
<b>Expenses</b>						
General government	8,963,262	5,118,335	-	-	8,963,262	5,118,335
Public safety	16,648,611	13,714,222	-	-	16,648,611	13,714,222
Streets	6,902,210	3,930,028	-	-	6,902,210	3,930,028
Health	298,309,815	218,194,521	-	-	298,309,815	218,194,521
Equipment services	310,039	344,990	-	-	310,039	344,990
Cultural and recreational	2,632,593	2,103,452	-	-	2,632,593	2,103,452
Airport	-	-	252,448	218,031	252,448	218,031
Hospital	716,788	1,128,807	-	-	716,788	1,128,807
Public works	797,406	645,638	-	-	797,406	645,638
Interest on long-term debt	3,224,991	2,637,086	-	-	3,224,991	2,637,086
Utility	-	-	12,370,761	11,200,785	12,370,761	11,200,785
Sanitation	-	-	1,666,962	1,348,575	1,666,962	1,348,575
<b>Total expenses</b>	<b>338,505,715</b>	<b>247,817,079</b>	<b>14,290,171</b>	<b>12,767,391</b>	<b>352,795,886</b>	<b>260,584,470</b>
Change in net position before transfers	10,144,158	12,084,507	5,328,686	6,194,961	15,472,844	18,279,468
Transfers	991,075	2,569,984	(991,075)	(2,569,984)	-	-
<b>Change in net position</b>	<b>11,135,233</b>	<b>14,654,491</b>	<b>4,337,611</b>	<b>3,624,977</b>	<b>15,472,844</b>	<b>18,279,468</b>
<b>Net Position – Beginning</b>	<b>60,060,517</b>	<b>45,406,026</b>	<b>43,767,255</b>	<b>40,142,278</b>	<b>103,827,772</b>	<b>85,548,304</b>
<b>Net Position –Ending</b>	<b>\$ 71,195,750</b>	<b>\$ 60,060,517</b>	<b>\$ 48,104,866</b>	<b>\$ 43,767,255</b>	<b>\$ 119,300,616</b>	<b>\$ 103,827,772</b>



**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$11,135,233 from the prior fiscal year for an ending balance of \$71,195,750. Revenues and expenses rose 34 percent and 37 percent, respectively, primarily as a result of the City's Quality Improvement Payment Program (QIPP) continuing to expand and capital contributions received from developers during 2023.

**Business-type Activities.** For the City's business-type activities, the results for the current fiscal year resulted in an increase in net position to an ending balance of \$48,104,866. The total increase in net position for business-type activities (utility, sanitation, and airport operations) was \$4,337,611 or 10 percent from the prior fiscal year. Revenues from charges for services rose \$1,334,172, or 10 percent due to continued growth in residential and commercial development and a budgeted wastewater rate increase. Total expenses before transfers increased \$1,552,780 in fiscal year 2023 due to maintaining an aging infrastructure and inflation increasing critical supply costs.

***Financial Analysis of Governmental Funds***

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds.*** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Commissioners.

At September 30, 2023, the City's governmental funds reported combined fund balances of \$57,067,083, a decrease of \$3,192,658 in comparison with the prior year. Approximately 18 percent of this amount (\$10,371,821) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable or restricted to indicate that it is: 1) not in spendable form (\$5,270,402), 2) legally required to be maintained intact (\$28,966), or 3) restricted for particular purposes (\$41,395,894).

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,377,383, while total fund balance decreased to \$10,438,560. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 33.47 percent of total general fund expenditures, while total fund balance represents approximately 33.67 percent of that same amount.

The fund balance of the City's general fund decreased by \$4,487,582 during the current fiscal year. Revenues increased by \$2,353,032 (9.7 percent) above the previous year due to an increase in property tax contributing \$1,656,816 to the increase. General fund expenditures increased \$8,221,847 due to the purchase of the City Hall building and other one-time capital expenditures as well as inflation increasing the cost of supplies and personnel costs associated with pay increases and new positions.

The QIPP fund, a major governmental fund, has a \$6,726,560 increase in fund balance during the current fiscal year which increased total fund balance to \$16,667,870. The increase in revenue and expenditures is primarily related to the City's continued expansion in the program during 2023.

The general capital projects fund, a major governmental fund, has a \$4,841,472 decrease in fund balance during the current fiscal year. The decrease is primarily a result of bond proceeds spent during the year on capital projects throughout the City.

The debt service fund, a major fund, had an increase in fund balance during the current year of \$55,620 to bring the year-end fund balance to \$161,217. The increase was primarily related to increased property tax collections during the year.

***Proprietary Funds.*** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

Unrestricted net position of the Utility and Nonmajor Enterprise funds at the end of the year amounts to \$5,525,558 and \$251,819. Net position increased in 2023 by \$4,244,943 in the Utility fund and decreased by \$1,897 in the Nonmajor Enterprise funds. For the Utility fund, operating revenues increased in 2023 by \$1,215,864 (10.2 percent) due to continued growth in residential and commercial development and a budgeted wastewater rate increase. Operating expenses increased \$879,189 (8.4 percent) primarily due to the increased cost of personnel. For the Nonmajor Enterprise funds, operating revenues increased in 2023 by \$130,032 (6.8 percent). Operating expenses increased by \$352,804 (22.5 percent).

**General Fund Budgetary Highlights**

**Final Budget Compared to Actual Results.** General fund actual revenues of \$24,193,091 exceeded budgeted revenues of \$20,732,511 by \$3,461,390. Following are the main components that experienced an increase of actual revenue compared to budgeted revenue:

- Property and sales tax revenue exceeded budgeted revenue by a combined \$1,281,668 due to conservative budgeting, continued growth within the city, inflation spikes increasing the prices of goods and services, and continued economic growth in the commercial sector.
- Residential and commercial development has continued to increase beyond budgeted expectations resulting in an increase of \$151,071 over budgeted revenue for licenses and permits.

Actual general fund expenditures of \$31,002,074 exceeded budgeted expenditures of \$30,210,338. This \$791,736 negative variance in expenditures is due to onetime capital outlay to begin utilizing fund balance.

**Capital and Lease Assets and Debt Administration**

**Capital and Lease Assets.** The City's investment in capital and lease assets for its governmental and business-type activities as of September 30, 2023, amounts to \$163,324,320 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights. The total increase in capital assets for the current fiscal year was approximately 10 percent.

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

**Capital and Lease Assets**  
**(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,444,748	\$ 6,424,748	\$ 1,088,290	\$ 1,088,290	\$ 7,533,038	\$ 7,513,038
Construction in progress	6,562,867	4,693,690	6,768,692	4,400,883	13,331,559	9,094,573
Buildings	37,466,937	33,765,389	2,637,057	2,795,932	40,103,994	36,561,321
Lease buildings	18,580	27,547	-	-	18,580	27,547
Improvements	9,239,998	7,029,155	45,664,145	42,556,077	54,904,143	49,585,232
Machinery and equipment	3,092,920	3,366,246	1,051,044	1,131,182	4,143,964	4,497,428
Infrastructure	42,603,777	40,984,633	-	-	42,603,777	40,984,633
Lease vehicles	348,366	190,535	69,739	104,609	418,105	295,144
Water rights	-	-	267,160	300,554	267,160	300,554
Total	<u>\$ 105,778,193</u>	<u>\$ 96,481,943</u>	<u>\$ 57,546,127</u>	<u>\$ 52,377,527</u>	<u>\$ 163,324,320</u>	<u>\$ 148,859,470</u>

Major capital asset events during the current fiscal year included the following:

- The purchase of the City Hall building as a cost of \$3,169,461
- Improvement and infrastructure additions of approximately \$6,938,055 consisting of new development contributions and improvements to high demand and high need areas of the City's streets and parks.
- Business-type construction in progress increased by \$2,367,809 as major water/wastewater infrastructure projects are anticipated to complete construction during FY23.

Additional information on the City's capital assets can be found in *Note 2* on pages 42-43 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$98,299,000, which is backed by the full faith and credit of the government. The remainder of the City's long-term obligations comprises development agreement payable and capital leases.

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

**Outstanding Debt**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Certificates of obligation	\$ 68,139,000	\$ 71,959,000	\$ 27,365,000	\$ 28,740,000	\$ 95,504,000	\$ 100,699,000
General obligations	2,795,000	3,955,000	-	-	2,795,000	3,955,000
Lease liability	534,919	276,792	124,189	136,660	659,108	413,452
Development agreement payable	13,031,769	13,576,752	-	-	13,031,769	13,576,752
Total	<u>\$ 84,500,688</u>	<u>\$ 89,767,544</u>	<u>\$ 27,489,189</u>	<u>\$ 28,876,660</u>	<u>\$ 111,989,877</u>	<u>\$ 118,644,204</u>

The City's total debt decreased by \$6,654,327 (5.61 percent) during the current fiscal year due to the amortization of existing bonds.

The City's General Obligation and Combination Tax and Revenue Certificates of Obligation ratings are listed below.

**Standard's & Poor's**

General Obligation Bonds	AA-
Certificates of Obligation	AA

Additional information on the City's long term-debt can be found in *Note 2* on pages 48-53 of this report.

***Economic Factors and Next Year's Budget Rates***

The City considers many factors in setting the budget. Growth is still a trending occurrence, with Building permits exceeding 1,000 in 2023 and expected to continue at this rate through 2024.

Increased development, new businesses gaining traction, and existing businesses expanding are providing more opportunities for the City. These factors and others have provided support to budget significant increases to property tax and sales tax revenues. Budgeted expenditures have also increased to provide more support to key departments as well as to provide the existing and growing population with capital investments that promote the wellbeing of the City and its citizens.

**City of Ennis, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2023**

***Requests for Information***

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 107 N Sherman Street, Ennis, Texas 75120.

## **Basic Financial Statements**

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**City of Ennis, Texas**  
**Statement of Net Position**  
**September 30, 2023**

<b>Assets</b>	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental</b>	<b>Business-type</b>	<b>Ennis Economic Development Corporation</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>	<b>Corporation</b>
Cash and cash equivalents	\$ 57,150,322	\$ 7,754,206	\$ 64,904,528	\$ 5,822,980
Receivables (net of allowance for uncollectibles)	3,327,892	1,755,516	5,083,408	571,474
Lease receivable	274,288	36,341	310,629	-
Intergovernmental receivables	5,905,625	-	5,905,625	-
Internal balances	188,277	(188,277)	-	-
Inventories	61,177	170,981	232,158	-
Prepaid items	5,209,225	-	5,209,225	-
Restricted cash and cash equivalents	-	15,615,475	15,615,475	-
Capital and lease assets				
Non-depreciable	13,007,615	7,856,982	20,864,597	3,467,796
Depreciable (net of accumulated depreciation/amortization)	92,770,578	49,689,145	142,459,723	4,386,642
Total assets	177,894,999	82,690,369	260,585,368	14,248,892
<b>Deferred Outflows of Resources</b>				
Deferred charges on refunding	126,370	-	126,370	49,733
Deferred outflows of resources related to pension	7,988,601	2,017,002	10,005,603	-
Deferred outflows of resources related to OPEB	233,476	26,166	259,642	-
Total deferred outflows of resources	8,348,447	2,043,168	10,391,615	49,733
<b>Liabilities</b>				
Accounts payable and other current liabilities	3,730,754	2,730,226	6,460,980	65,959
Accrued payroll payable	822,489	212,109	1,034,598	-
Accrued interest payable	599,016	167,676	766,692	11,830
Line of credit	6,251,070	-	6,251,070	-
Customer deposits payable	-	737,490	737,490	-
Noncurrent liabilities:				
Due within one year	5,918,292	1,359,393	7,277,685	643,486
Due in more than one year	96,960,820	31,279,211	128,240,031	4,514,889
Total liabilities	114,282,441	36,486,105	150,768,546	5,236,164
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources related to pension	134,201	44,837	179,038	-
Deferred inflows of resources related to OPEB	379,091	62,196	441,287	-
Deferred inflows of resources related to leases	251,963	35,533	287,496	-
Total deferred inflows of resources	765,255	142,566	907,821	-
<b>Net Position</b>				
Net investment in capital assets	39,784,516	41,649,621	81,434,137	2,745,796
Restricted for:				
Capital projects	1,981,716	-	1,981,716	-
Cultural and recreational	1,262,006	-	1,262,006	-
Debt service	161,217	-	161,217	-
Economic development	-	-	-	6,316,665
Public safety	1,121,432	-	1,121,432	-
Streets	1,087,060	-	1,087,060	-
Tourism	573,776	-	573,776	-
Health	11,458,645	-	11,458,645	-
Unrestricted	13,765,382	6,455,245	20,220,627	-
Total net position	\$ 71,195,750	\$ 48,104,866	\$ 119,300,616	\$ 9,062,461

# City of Ennis, Texas

## Statement of Activities

### For the Year Ended September 30, 2023

Function/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Unit
	Operating		Capital		Primary Government			Ennis	
	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	Economic Development Corporation		
<b>Primary Government</b>									
Governmental activities:									
General government	\$ 8,963,262	\$ 509,810	\$ 1,468,417	\$ 10,052	\$ (6,974,983)	\$ -	\$ (6,974,983)	\$ -	
Public safety	16,648,611	567,633	-	7,200	(16,073,778)	-	(16,073,778)	-	
Streets	6,902,210	-	-	5,411,330	(1,490,880)	-	(1,490,880)	-	
Health	298,309,815	306,457,836	-	-	8,148,021	-	8,148,021	-	
Equipment services	310,039	-	-	-	(310,039)	-	(310,039)	-	
Cultural and recreational	2,632,593	66,938	-	103,632	(2,462,023)	-	(2,462,023)	-	
Hospital	716,788	555,298	-	-	(161,490)	-	(161,490)	-	
Public works	797,406	-	-	-	(797,406)	-	(797,406)	-	
Interest	3,224,991	-	-	-	(3,224,991)	-	(3,224,991)	-	
Total governmental activities	338,505,715	308,157,515	1,468,417	5,532,214	(23,347,569)	-	(23,347,569)	-	
Business-type activities:									
Utility	12,370,761	13,181,315	-	1,959,294	-	2,769,848	2,769,848	-	
Sanitation	1,666,962	1,822,276	-	-	-	155,314	155,314	-	
Airport	252,448	209,417	-	-	-	(43,031)	(43,031)	-	
Total business-type activities	14,290,171	15,213,008	-	1,959,294	-	2,882,131	2,882,131	-	
Total primary government	\$ 352,795,886	\$ 323,370,523	\$ 1,468,417	\$ 7,491,508	\$ (23,347,569)	\$ 2,882,131	\$ (20,465,438)	\$ -	
<b>Component Units</b>									
Ennis Economic Development Corporation	\$ 5,069,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,069,580)	
Total component units	\$ 5,069,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,069,580)	
<b>General Revenues and Transfers</b>									
Property taxes					19,450,555	-	19,450,555	-	
Sales taxes					10,360,250	-	10,360,250	3,450,083	
Franchise taxes					2,037,382	-	2,037,382	-	
Hotel occupancy taxes					533,543	-	533,543	-	
Alcoholic beverage taxes					93,764	-	93,764	-	
Grants not restricted to specific programs					-	2,276,597	2,276,597	-	
Investment earnings					345,584	169,958	515,542	160,283	
Gain on sale of capital asset					236,193	-	236,193	-	
Miscellaneous					434,456	-	434,456	17,600	
Transfers					991,075	(991,075)	-	-	
Total general revenues and transfers					34,482,802	1,455,480	35,938,282	3,627,966	
Change in net position					11,135,233	4,337,611	15,472,844	(1,441,614)	
<b>Net Position - Beginning</b>					60,060,517	43,767,255	103,827,772	10,504,075	
<b>Net Position - Ending</b>					\$ 71,195,750	\$ 48,104,866	\$ 119,300,616	\$ 9,062,461	

The notes to the financial statements are an integral part of this statement.

**City of Ennis, Texas**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2023**

<b>Assets</b>	<b>General</b>	<b>QIPP</b>	<b>General Capital Projects</b>	<b>Debt Service</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 9,757,124	\$ 13,477,734	\$ 24,923,692	\$ 150,070	\$ 5,566,461	\$ 53,875,081
Receivables (net of allowance for uncollectibles)	2,535,555	-	-	124,240	668,097	3,327,892
Lease receivable	274,288	-	-	-	-	274,288
Intergovernmental receivables	-	5,905,625	-	-	-	5,905,625
Due from other funds	197,281	-	-	-	-	197,281
Inventories	61,177	-	-	-	-	61,177
Prepaid items	-	5,209,225	-	-	-	5,209,225
<b>Total assets</b>	<b>\$ 12,825,425</b>	<b>\$ 24,592,584</b>	<b>\$ 24,923,692</b>	<b>\$ 274,310</b>	<b>\$ 6,234,558</b>	<b>\$ 68,850,569</b>
<b>Liabilities</b>						
Accounts payable	\$ 844,336	\$ 1,512,158	\$ 1,173,650	\$ -	\$ 160,932	\$ 3,691,076
Accrued payroll payable	896,513	-	-	-	9,811	906,324
Due to other funds	17,211	-	-	-	5,562	22,773
Accrued interest payable	-	161,486	-	-	-	161,486
Line of credit	-	6,251,070	-	-	-	6,251,070
<b>Total liabilities</b>	<b>1,758,060</b>	<b>7,924,714</b>	<b>1,173,650</b>	<b>-</b>	<b>176,305</b>	<b>11,032,729</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue – property taxes	171,714	-	-	113,093	8,859	293,666
Unavailable revenue – court	138,426	-	-	-	-	138,426
Unavailable revenue – other	66,702	-	-	-	-	66,702
Lease related	251,963	-	-	-	-	251,963
<b>Total deferred inflows of resources</b>	<b>628,805</b>	<b>-</b>	<b>-</b>	<b>113,093</b>	<b>8,859</b>	<b>750,757</b>
<b>Fund Balances (Deficit)</b>						
Nonspendable						
Endowment	-	-	-	-	28,966	28,966
Inventories	61,177	-	-	-	-	61,177
Prepaid items	-	5,209,225	-	-	-	5,209,225
Restricted						
Capital projects	-	-	23,750,042	-	1,981,716	25,731,758
Cultural and recreational	-	-	-	-	1,262,006	1,262,006
Debt service	-	-	-	161,217	-	161,217
Public safety	-	-	-	-	1,121,432	1,121,432
Streets	-	-	-	-	1,087,060	1,087,060
Tourism	-	-	-	-	573,776	573,776
Health	-	11,458,645	-	-	-	11,458,645
Unassigned (deficit)	10,377,383	-	-	-	(5,562)	10,371,821
<b>Total fund balances</b>	<b>10,438,560</b>	<b>16,667,870</b>	<b>23,750,042</b>	<b>161,217</b>	<b>6,049,394</b>	<b>57,067,083</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,825,425</b>	<b>\$ 24,592,584</b>	<b>\$ 24,923,692</b>	<b>\$ 274,310</b>	<b>\$ 6,234,558</b>	<b>\$ 68,850,569</b>

**City of Ennis, Texas**  
**Reconciliation of the Balance Sheet - Governmental Funds to the**  
**Government-wide Statement of Net Position**  
**September 30, 2023**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$	57,067,083
Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		105,778,193
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		498,794
Deferred outflows of resources related to deferred charges on refundings, pension and OPEB are not reported in the governmental funds:		
Deferred charges on refunding	\$	126,370
Deferred outflows of resources related to pension		7,988,601
Deferred outflows of resources related to OPEB		<u>233,476</u>
		8,348,447
Internal service funds are used by management to charge the cost of self-insurance and fleet maintenance to individual funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		2,713,992
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable on long-term debt is not reported as a liability in the governmental funds balance sheet.		(437,530)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Due within one year		(5,918,292)
Due in more than one year		<u>(96,341,645)</u>
		(102,259,937)
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds:		
Deferred inflows of resources related to pension		(134,201)
Deferred inflows of resources related to OPEB		<u>(379,091)</u>
		(513,292)
Net position of governmental activities	\$	<u><u>71,195,750</u></u>

**City of Ennis, Texas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2023**

<b>Revenues</b>	<b>General</b>	<b>QIPP</b>	<b>General Capital Projects</b>	<b>Debt Service</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
Property taxes	\$ 11,144,223	\$ -	\$ -	\$ 7,055,174	\$ 1,114,050	\$ 19,313,447
Sales taxes	6,946,765	-	-	-	3,413,485	10,360,250
Franchise taxes	2,037,382	-	-	-	-	2,037,382
Hotel occupancy taxes	-	-	-	-	533,543	533,543
Alcoholic beverage taxes	93,764	-	-	-	-	93,764
Licenses and permits	1,453,090	-	-	-	-	1,453,090
Fines and forfeitures	245,640	-	-	-	15,636	261,276
Charges for services	249,416	306,208,420	-	-	-	306,457,836
Investment earnings	202,048	35,738	90,008	4,237	13,553	345,584
Miscellaneous	424,013	-	-	-	10,443	434,456
Intergovernmental	1,397,560	70,857	-	-	-	1,468,417
Contributions and donations	-	-	-	-	120,884	120,884
<b>Total revenues</b>	<b>24,193,901</b>	<b>306,315,015</b>	<b>90,008</b>	<b>7,059,411</b>	<b>5,221,594</b>	<b>342,879,929</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	6,879,081	-	-	-	328,943	7,208,024
Public safety	14,155,040	-	-	-	1,201,851	15,356,891
Streets	1,108,461	-	1,469,198	-	2,038,376	4,616,035
Health	650,469	298,204,329	-	-	-	298,854,798
Equipment services	271,091	-	-	-	-	271,091
Cultural and recreational	2,030,967	-	-	-	7,812	2,038,779
Public works	666,705	-	-	-	-	666,705
Capital outlay	5,203,264	-	4,264,684	-	57,898	9,525,846
Debt service:						
Principal retirement	36,996	-	-	4,980,000	-	5,016,996
Interest and fiscal charges	-	812,343	-	2,723,479	-	3,535,822
<b>Total expenditures</b>	<b>31,002,074</b>	<b>299,016,672</b>	<b>5,733,882</b>	<b>7,703,479</b>	<b>3,634,880</b>	<b>347,090,987</b>
Excess (deficiency) of revenues over (under) expenditures	(6,808,173)	7,298,343	(5,643,874)	(644,068)	1,586,714	(4,211,058)
<b>Other Financing Sources (Uses)</b>						
Transfers in	2,649,434	-	850,000	699,688	-	4,199,122
Transfers out	(629,478)	(571,783)	(47,598)	-	(2,236,188)	(3,485,047)
Leases issued	295,123	-	-	-	-	295,123
Sale of capital assets	5,512	-	-	-	3,690	9,202
<b>Total other financing sources (uses)</b>	<b>2,320,591</b>	<b>(571,783)</b>	<b>802,402</b>	<b>699,688</b>	<b>(2,232,498)</b>	<b>1,018,400</b>
<b>Net change in fund balances</b>	<b>(4,487,582)</b>	<b>6,726,560</b>	<b>(4,841,472)</b>	<b>55,620</b>	<b>(645,784)</b>	<b>(3,192,658)</b>
<b>Fund Balances, Beginning</b>	<b>14,926,142</b>	<b>9,941,310</b>	<b>28,591,514</b>	<b>105,597</b>	<b>6,695,178</b>	<b>60,259,741</b>
<b>Fund Balances, Ending</b>	<b>\$ 10,438,560</b>	<b>\$ 16,667,870</b>	<b>\$ 23,750,042</b>	<b>\$ 161,217</b>	<b>\$ 6,049,394</b>	<b>\$ 57,067,083</b>

**City of Ennis, Texas**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2023**

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - total governmental funds	\$	(3,192,658)
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount of capital outlay recorded as capital and lease assets in the current period.		9,525,845
Governmental funds do not recognize contributed capital assets. However, in the statement of activities the acquisition value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		5,411,330
The net effect of various miscellaneous transactions involving capital assets (i.e., asset retirements/disposals) is a decrease net position.		(97,391)
Depreciation/amortization expense on capital and lease assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as an expenditure in governmental funds.		(5,543,534)
The issuance of long-term debt (i.e. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Leases issued	(295,123)	
Principal payments on leases	36,996	
Bond principal retirement	4,980,000	
Amortization of bond premiums/discounts	343,257	
Amortization of deferred charge on refunding	(55,641)	
Development agreement payable retirement	544,983	5,554,472
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense on long-term debt is not reported as expenditures in governmental funds. This represents the change in accrued interest during the current period.		23,215
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year for this revenue sources.		(58,145)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Changes in pension liabilities and related deferred outflows and inflows of resources	(860,458)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(5,704)	(866,162)
The internal service funds are used by management to charge the costs of self-insurance and fleet maintenance to individual funds. A portion of the net revenue or expense of the internal service funds is reported with governmental activities.		378,261
Change in net position of governmental activities	\$	11,135,233

**City of Ennis, Texas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2023**

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Property taxes	\$ 10,509,320	\$ 10,509,320	\$ 11,144,223	\$ 634,903
Sales taxes	6,300,000	6,300,000	6,946,765	646,765
Franchise taxes	1,827,000	1,827,000	2,037,382	210,382
Alcoholic beverage taxes	80,000	80,000	93,764	13,764
Licenses and permits	1,302,019	1,302,019	1,453,090	151,071
Fines and forfeitures	237,607	237,607	245,640	8,033
Charges for services	221,474	221,474	249,416	27,942
Investment earnings	45,730	45,730	202,048	156,318
Miscellaneous	196,561	196,561	424,013	227,452
Intergovernmental	12,800	12,800	1,397,560	1,384,760
<b>Total revenues</b>	<b>20,732,511</b>	<b>20,732,511</b>	<b>24,193,901</b>	<b>3,461,390</b>
<b>Expenditures</b>				
Current:				
General government:				
City Secretary	331,721	331,721	394,138	(62,417)
Administration	534,001	534,001	615,972	(81,971)
Downtown Development	621,822	739,462	662,626	76,836
Communication and Marketing	220,295	235,020	197,172	37,848
Ennis Cares	176,174	297,957	289,712	8,245
Finance	558,811	558,811	449,324	109,487
Economic development	312,606	353,045	385,919	(32,874)
Information technology	419,920	419,920	430,208	(10,288)
Human resources	410,619	410,619	403,370	7,249
Nondepartmental	6,568,408	6,941,012	3,050,640	3,890,372
<b>Total general government</b>	<b>10,154,376</b>	<b>10,821,567</b>	<b>6,879,081</b>	<b>3,942,486</b>
Public safety:				
Police protection	6,517,165	6,814,078	6,769,478	44,600
Judicial	372,461	372,461	352,299	20,162
Fire protection	6,197,996	6,252,717	6,161,546	91,171
Planning and inspection	936,281	936,281	871,717	64,564
<b>Total public safety</b>	<b>14,023,903</b>	<b>14,375,537</b>	<b>14,155,040</b>	<b>220,497</b>
Streets	1,259,992	1,311,882	1,108,461	203,421
Health	665,037	685,037	650,469	34,568
Equipment services	335,005	552,537	271,091	281,446
Cultural and recreational:				
Parks and recreation	1,346,330	1,421,330	1,376,036	45,294
Library	564,010	588,830	546,940	41,890
Museum	111,181	111,181	107,991	3,190
<b>Total cultural and recreational</b>	<b>2,021,521</b>	<b>2,121,341</b>	<b>2,030,967</b>	<b>90,374</b>
Public works	342,436	342,436	666,705	(324,269)
Capital outlay	-	-	5,203,264	(5,203,264)
Debt service:				
Principal retirement	-	-	36,996	(36,996)
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>36,996</b>	<b>(36,996)</b>
<b>Total expenditures</b>	<b>28,802,270</b>	<b>30,210,338</b>	<b>31,002,074</b>	<b>(791,736)</b>
Excess (deficiency) of revenues over (under) expenditures	(8,069,759)	(9,477,827)	(6,808,173)	4,253,126
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,701,351	3,989,873	2,649,434	1,340,439
Transfers out	-	-	(629,478)	629,478
Leases issued	-	-	295,123	(295,123)
Sale of capital assets	-	-	5,512	5,512
<b>Total other financing sources and uses</b>	<b>3,701,351</b>	<b>3,989,873</b>	<b>2,320,591</b>	<b>1,680,306</b>
Net change in fund balance	(4,368,408)	(5,487,954)	(4,487,582)	5,933,432
<b>Fund Balance, Beginning</b>	<b>14,926,142</b>	<b>14,926,142</b>	<b>14,926,142</b>	<b>-</b>
<b>Fund Balance, Ending</b>	<b>\$ 10,557,734</b>	<b>\$ 9,438,188</b>	<b>\$ 10,438,560</b>	<b>\$ 5,933,432</b>

The notes to the financial statements are an integral part of this statement.

**City of Ennis, Texas**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2023**

Assets	Business-type Activities - Enterprise			Governmental
		Nonmajor	Total	Activities
	Utility	Enterprise Funds	Enterprise Funds	Internal Service Fund
<b>Current Assets</b>				
Cash and cash equivalents	\$ 6,312,083	\$ 623,313	\$ 6,935,396	\$ 4,094,051
Restricted cash and cash equivalents - bond construction	15,615,475	-	15,615,475	-
Receivables (net of allowance for uncollectibles)	1,541,634	213,882	1,755,516	-
Lease receivable	-	36,341	36,341	-
Due from other funds	-	-	-	17,211
Inventories	142,686	28,295	170,981	-
Total current assets	23,611,878	901,831	24,513,709	4,111,262
<b>Noncurrent Assets</b>				
Capital and lease assets (net of accumulated depreciation/amortization)	55,383,315	2,162,812	57,546,127	-
Total noncurrent assets	55,383,315	2,162,812	57,546,127	-
Total assets	78,995,193	3,064,643	82,059,836	4,111,262
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources related to pension	1,514,586	502,416	2,017,002	-
Deferred outflows of resources related to OPEB	19,888	6,278	26,166	-
Total deferred outflows of resources	1,534,474	508,694	2,043,168	-
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	2,543,792	42,680	2,586,472	49,597
Accrued payroll payable	163,717	48,392	212,109	-
Claims payable	-	-	-	669,175
Due to other funds	-	191,719	191,719	-
Customer deposits payable	737,490	-	737,490	-
Bonds payable	1,335,000	-	1,335,000	-
Lease payable	24,393	-	24,393	-
Accrued interest payable	167,676	-	167,676	-
Total current liabilities	4,972,068	282,791	5,254,859	718,772
<b>Noncurrent Liabilities</b>				
Bonds payable	27,921,797	-	27,921,797	-
Lease payable	99,796	-	99,796	-
Net pension liability	2,353,903	784,018	3,137,921	-
Total OPEB liability	89,773	29,924	119,697	-
Total noncurrent liabilities	30,465,269	813,942	31,279,211	-
Total liabilities	35,437,337	1,096,733	36,534,070	718,772
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources related to pension	33,310	11,527	44,837	-
Deferred inflows of resources related to OPEB	46,653	15,543	62,196	-
Deferred inflows of resources related to leases	-	35,533	35,533	-
Total deferred inflows of resources	79,963	62,603	142,566	-
<b>Net Position</b>				
Net investment in capital assets	39,486,809	2,162,812	41,649,621	-
Unrestricted	5,525,558	251,189	5,776,747	3,392,490
Total net position	\$ 45,012,367	\$ 2,414,001	47,426,368	\$ 3,392,490
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time.			678,498	
Net position of business-type activities			\$ 48,104,866	



**City of Ennis, Texas**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2023**

	<b>Business-type Activities – Enterprise</b>			<b>Governmental</b>
	<b>Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Activities Internal Service Funds</b>
<b>Operating Revenues</b>				
Water revenue	\$ 7,526,156	\$ -	\$ 7,526,156	\$ -
Sewer revenue	5,392,415	-	5,392,415	-
Sanitation revenue	-	1,822,276	1,822,276	-
Airport revenue	-	209,417	209,417	-
Other revenue	237,429	-	237,429	-
Charges for insurance and services	-	-	-	4,689,680
Total operating revenues	<u>13,156,000</u>	<u>2,031,693</u>	<u>15,187,693</u>	<u>4,689,680</u>
<b>Operating Expenses</b>				
Personnel	3,655,043	1,026,794	4,681,837	-
Supplies	1,498,716	271,359	1,770,075	-
Maintenance and replacement	1,095,764	188,966	1,284,730	504,609
Miscellaneous services	1,543,371	118,655	1,662,026	-
Insurance claims and expenses	-	-	-	4,463,972
Depreciation and amortization	3,571,165	313,636	3,884,801	-
Total operating expenses	<u>11,364,059</u>	<u>1,919,410</u>	<u>13,283,469</u>	<u>4,968,581</u>
Operating income (loss)	<u>1,791,941</u>	<u>112,283</u>	<u>1,904,224</u>	<u>(278,901)</u>
<b>Nonoperating Revenue (Expenses)</b>				
Investment earnings	168,718	-	168,718	-
Gain (loss) on disposal of property	(4,293)	-	(4,293)	405,477
Interest expense	(1,002,409)	-	(1,002,409)	-
Interest income	-	1,240	1,240	-
Intergovernmental revenue	2,276,597	-	2,276,597	-
Total nonoperating revenue (expenses)	<u>1,438,613</u>	<u>1,240</u>	<u>1,439,853</u>	<u>405,477</u>
Income before contributions and transfers	3,230,554	113,523	3,344,077	126,576
Capital contributions	1,959,294	-	1,959,294	-
Transfers in	-	77,598	77,598	699,313
Transfers out	(944,905)	(193,018)	(1,137,923)	(353,063)
Change in net position	4,244,943	(1,897)	4,243,046	472,826
Net position – beginning	<u>40,767,424</u>	<u>2,415,898</u>	<u>43,183,322</u>	<u>2,919,664</u>
Net position – ending	<u>\$ 45,012,367</u>	<u>\$ 2,414,001</u>	<u>47,426,368</u>	<u>\$ 3,392,490</u>

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time.

94,565

Change in net position of business-type activities

\$ 4,337,611

**City of Ennis, Texas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2023**

	<b>Business-type Activities – Enterprise</b>			<b>Governmental</b>
	<b>Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Activities Internal Service Fund</b>
<b>Cash Flows From Operating Activities</b>				
Receipts from customers	\$ 12,894,697	\$ 2,020,379	\$ 14,915,076	\$ -
Receipts from interfund charges for insurance and services	-	-	-	4,689,680
Payments to suppliers and service providers	(4,020,110)	(583,045)	(4,603,155)	(4,910,920)
Payments to employees for salaries and benefits	(3,468,482)	(955,619)	(4,424,101)	-
Net cash provided by (used for) operating activities	<u>5,406,105</u>	<u>481,715</u>	<u>5,887,820</u>	<u>(221,240)</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers from other funds	-	86,743	86,743	699,313
Transfers to other funds	(944,905)	(193,018)	(1,137,923)	(381,666)
Net cash provided by (used for) noncapital financing activities	<u>(944,905)</u>	<u>(106,275)</u>	<u>(1,051,180)</u>	<u>317,647</u>
<b>Cash Flows From Capital And Related Financing Activities</b>				
Acquisition and construction of capital assets	(4,778,711)	(195,853)	(4,974,564)	-
Proceeds from disposal of capital assets	7,159	-	7,159	405,477
Principal paid on bond maturities	(1,375,000)	-	(1,375,000)	-
Principal paid on leases	(12,471)	-	(12,471)	-
Interest income	-	1,240	1,240	-
Interest and fiscal charges paid on bonds	(1,110,363)	-	(1,110,363)	-
Net cash provided by (used for) capital and related financing activities	<u>(7,269,386)</u>	<u>(194,613)</u>	<u>(7,463,999)</u>	<u>405,477</u>
<b>Cash Flows From Investing Activities</b>				
Interest on investments	168,718	-	168,718	-
Net cash provided by investing activities	<u>168,718</u>	<u>-</u>	<u>168,718</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(2,639,468)	180,827	(2,458,641)	501,884
Cash and cash equivalents, October 1 (includes \$19,213,464 reported in restricted cash)	<u>24,567,026</u>	<u>442,486</u>	<u>25,009,512</u>	<u>3,592,167</u>
Cash and cash equivalents, September 30 (includes \$15,615,475 reported in restricted cash)	<u>\$ 21,927,558</u>	<u>\$ 623,313</u>	<u>\$ 22,550,871</u>	<u>\$ 4,094,051</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income (loss)	\$ 1,791,941	\$ 112,283	\$ 1,904,224	\$ (278,901)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	3,571,165	313,636	3,884,801	-
(Increase) decrease in accounts receivable	(261,303)	(11,314)	(272,617)	-
(Increase) decrease in lease receivable	-	(36,341)	(36,341)	-
(Increase) decrease in inventory	(8,830)	-	(8,830)	-
(Increase) decrease in pension related deferred outflows of resources	(1,031,804)	(343,222)	(1,375,026)	-
(Increase) decrease in OPEB related deferred outflows of resources	33,117	11,046	44,163	-
Increase (decrease) in accounts payable	59,291	(3,257)	56,034	49,597
Increase (decrease) in accrued payroll payable	24,158	16,441	40,599	-
Increase (decrease) in claims payable	-	-	-	8,064
Increase (decrease) in customer deposits	67,280	-	67,280	-
Increase (decrease) in pension related deferred inflows of resources	(734,909)	(245,082)	(979,991)	-
Increase (decrease) in OPEB related deferred inflows of resources	6,937	2,305	9,242	-
Increase (decrease) in lease related deferred inflows of resources	-	35,533	35,533	-
Increase (decrease) in net pension liability	1,928,048	642,683	2,570,731	-
Increase (decrease) in OPEB liability	(38,986)	(12,996)	(51,982)	-
Total adjustments	<u>3,614,164</u>	<u>369,432</u>	<u>3,983,596</u>	<u>57,661</u>
Net cash provided by (used for) operating activities	<u>\$ 5,406,105</u>	<u>\$ 481,715</u>	<u>\$ 5,887,820</u>	<u>\$ (221,240)</u>
<b>Schedule of Non-cash Transactions</b>				
Contributions of capital assets	\$ 1,959,294	\$ -	\$ 1,959,294	\$ -
Capital assets included in accounts payable	\$ 2,130,995	\$ -	\$ 2,130,995	\$ -

The notes to the financial statements are an integral part of this statement.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Note 1: Summary of Significant Accounting Policies**

***Description of Government-wide Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from the legally separate *component unit* for which the primary government is financially accountable.

***Reporting Entity***

The City of Ennis, Texas (City) was incorporated May 2, 1872, and operates under a Commission-Manager form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and: (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component unit.

***Blended Component Unit.*** Blended component units, although legally separate entities, are included as part of the primary government because they meet the above criteria as well as serve or benefit the City exclusively. Blended component units of the City include the Ennis Tax Increment Reinvestment Zone #1, Ennis Tax Increment Reinvestment Zone #2, the Ennis Tax Increment Reinvestment Zone #3, and Crime Control and Prevention District (CCPD).

The purpose of each Zone is to capture increments of growth in real property values in the Zone from base values and use the ad valorem taxes derived from these increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the Zone. The City has financial accountability because it has operational responsibility for each Zone. Each Zone is reported as a nonmajor special revenue fund and does not issue separate financial statements.

The (CCPD) was formed under Chapter 363 of the Texas Local Government Code, the *Crime Control and Prevention Act*. The CCPD is organized exclusively to act on behalf of the City to finance crime control within the City. The CCPD is governed by a seven member board appointed by the City Council. The CCPD provides services entirely, or almost entirely to the primary government. The CCPD is reported as a nonmajor special revenue fund and does not issue separate financial statements.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***Discretely Presented Component Unit.*** The Corporation described is included in the City's reporting entity because the City appoints the governing body, and the Corporation is fiscally dependent on the City. The Corporation is reported as a discretely presented component unit since the governing body is not substantively the same as the governing body of the City, and they provide service to the citizens of Ennis and the surrounding area as opposed to only the primary government. To emphasize that they are legally separate from the City, they are reported in a separate column in the financial statements.

The *Ennis Economic Development Corporation, Inc.* (Corporation) is responsible for collecting and disbursing the one-half percent sales tax to be used for economic development within the City. The members of the Corporation's board are appointed by the City. The City can impose its will on the Corporation by significantly influencing the program, projects, activities, or level of service performed by the Corporation.

Separately issued financial statements are available for the Corporation. This report may be obtained by contacting the following office:

City of Ennis  
107 North Sherman Street  
Ennis, Texas 75120

***Basis of Presentation***

**Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and an allocation of internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City has a discretely presented component unit. The Economic Development Corporation is considered to be a major component unit and is shown in a separate column in the government-wide financial statements.

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

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Fund Financial Statements**

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *QIPP fund* is used to account for revenues and expenditures generated from the City's participation in the Quality Incentive Payment Program for nursing homes.

The *general capital projects fund* is used to account for improvements to streets and building construction from issuance of certificates of obligation.

The *debt service fund* is used to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of governmental funds. This fund is designated as a major fund.

The City reports the following major enterprise fund:

The *utility fund* accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Additionally, the City reports the following fund type:

*Internal service funds* account for self-insurance and fleet maintenance services provided to other departments of the City on a cost-reimbursement basis.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activity's column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

***Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments are recorded only when payment is due. General capital and lease asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***Budgetary Information***

**Budgetary Basis of Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and debt service fund. The annual budgets for the utility and nonmajor enterprise funds are prepared on the budgetary basis of accounting. Appropriations in all budgeted funds lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

***Excess of Expenditures Over Appropriations***

For the year ended September 30, 2023, the General Fund's expenditures exceeded appropriations by \$791,736. The excess expenditures are due to additional personnel costs and related software and equipment.

***Cash and Cash Equivalents***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

***External Investment Pools***

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in TexPool. In accordance with state law, TexPool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the *Investment Company Act of 1940*, as amended. Investments in TexPool are carried at amortized cost and are reported as cash equivalents in the accompanying financial statements. TexPool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

The State Comptroller of Public Accounts oversees TexPool. Federated Investors is the full service provider to the pool managing the assets, providing participant services, and arranging for all custody and other functions in support of the pool operations under a contract with the Comptroller.

TexPool is managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pool seeks to maintain a \$1.00 value per share as required by the *Texas Public Funds Investment Act*. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAAM by Standard & Poors, the highest rating a local government investment pool can achieve. The weighted average maturities of the pool cannot exceed 60 days. TexPool, like its participants, is governed by the *Texas Public Funds Investment Act*, and is in full compliance with the Act.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***Restricted Assets***

Certain proceeds of the City's enterprise fund certificates of obligation bonds are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction.

***Inventories and Prepaid Items***

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***Lease Receivable***

The City is a lessor for noncancellable leases related to cellular towers and parking lot space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Capital and Lease Assets**

Capital and lease assets, which include property, plant, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital and lease assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the government constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital and lease assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, vehicles, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<b>Capital and Lease Asset Classes</b>	<b>Lives</b>
Buildings	7-50
Improvements	7-50
Machinery and equipment	5-30
Vehicles	5-7
Infrastructure	10-50
Water rights	30

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources reported in this year’s financial statements include: (1) the differences between the projected and actual investment earnings; (2) contributions made to the City’s defined benefit pension plan and OPEB plan between the measurement date and the end of the City’s fiscal year; (3) the difference between expected and actual experience data used by the actuary for the pension and OPEB plans; and (4) deferred charges on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported in the City's various statements of net position include: (1) changes in actuarial assumptions of the City's OPEB plan; (2) the difference between expected and actual experience data used by the actuary for the pension plan; and (3) the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. In its governmental funds, the City reports deferred inflow of resources for revenues that are not considered available and leases. The City will not recognize the related revenues until they are available (collected no later than 60 days after the end of the City's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes, court, and intergovernmental revenues are reported in the governmental funds balance sheet.

***Long-term Obligations***

In the government-wide financial statements and proprietary fund type 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 statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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.

***Lease Liability***

The City is a lessee for noncancellable leases of buildings and vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life for lease term, whichever is shorter.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital and lease assets and lease liabilities are reported with long-term liabilities on the statement of net position.

***Pensions and Other Post-Employment Benefits (OPEB)***

For purposes of measuring the net pension asset/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' 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.

GASB 75 requires recognition of the Total OPEB Liability (TOL), deferred outflows and inflows of resources, and total OPEB expense on the face of the employer's financial statements. The TOL is calculated by the TMRS' actuary in accordance with the provisions of GASB 75. The OPEB expense and deferred outflows and inflows of resources related to OPEB, which are required to be reported by an employer, primarily result from changes in the components of the TOL. Most changes in the TOL will be included in OPEB expense in the period of the change. For example, changes in the TOL resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in OPEB expense immediately. Changes in the TOL that have not been included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEB.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***Net Position Flow Assumption***

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital and lease assets net of accumulated depreciation/amortization and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

***Fund Balance Flow Assumption***

The governmental fund financial statements present fund balance categorized based on the nature and extent of the constraints placed on the specific purposes for which a government's funds may be spent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance — amounts that are not in spendable form (such as endowments, inventories and prepaid items) or are required to be maintained intact.

Restricted Fund Balance — amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance — amounts that can be used only for specific purposes determined by a formal action of the City Commission. The City Commission is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through a formal resolution of the City Commission.

Assigned Fund Balance — amounts the City intends to use for a specific purpose. Intent can be expressed by the City Commissioners or by an official or body to which the City Commissioners delegates the authority.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

Unassigned Fund Balance— amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned. Positive balances are reported only in the general fund.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Library Endowment***

Under terms of the endowment, and consistent with State statutes, the City is authorized on a total-return policy to spend the net appreciation for the benefit of the Ennis Public Library. All available net appreciation has been expended as of September 30, 2023.

***Deficit Fund Equity***

As of September 30, 2023, the Court Technology fund, a nonmajor governmental fund, has a deficit fund balance of \$5,562.

***Revenues and Expenditures/Expenses***

***Program Revenues***

Amounts reported as *program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Property Taxes**

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property. Appraised values are established by the Ellis Appraisal District as market value and assessed at 100 percent of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Ellis County Tax Assessor/Collector bills and collects the City's property taxes, which are due October 1. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Over time substantially all property taxes are collected.

***Proprietary Funds Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 utility, nonmajor enterprise, and internal service funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital and lease assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Self-Insurance***

The City is self-insured for medical and prescription drug claims. The Self Insurance Internal Service Fund is used to account for the activity of this program. It is the City's policy to provide in each fiscal year, through premiums charged to all operating funds, amounts sufficient for self-insurance program expenses and reserves associated with claims, that are determined based on loss experience. The amount recorded as liability for known claims and for incurred but not reported claims (IBNRs), if any, is based on the recommendations of a third-party claim's administrator.

***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 the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***Adoption of New Accounting Standards***

During fiscal year 2023, the City adopted the following GASB standards:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. The adoption of this standard had no impact on the City.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a single model for subscription-based information technology arrangements (SBITAs) accounting based on the principle that contracts are financings of the right to use an underlying information technology software asset. The standard requires recognition of certain right-to-use subscription assets and subscription liabilities. The adoption of this standard had no impact on the City.

**Note 2: Detailed Notes on All Activities and Funds**

***Cash Deposits with Financial Institutions***

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by State statutes at September 30, 2023. At year-end, the bank balance of the primary government's deposits was \$81,323,456 with a carrying value of \$80,182,521). Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining balance, \$80,020,003 was covered by collateral pledged in the City's name. The collateral was held in the City's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately \$92,900,844.

***Investments***

State statutes authorize the City to invest in certificates of deposit, obligations of the U.S. Treasury and the State Treasurer's Investment Pool.

The State Treasurer's Investment Pool (TexPool) operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See *Note 1* for a discussion of how the shares in the Pool are valued. TexPool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

The table below identifies the investment types that are authorized for the City by the *Public Funds Investment Act* (Government Code Chapter 2256), the “Act”. The table also identifies certain provisions of the City’s investment policy that address credit risk and concentration of credit risk. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Investment Type	Amortized Cost	Weighted Average Maturity
TexPool	<u>\$ 337,482</u>	25 Days

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2023, the City’s investment in TexPool was rated AAA by Standard & Poor’s and Aaa by Moody’s Investors Service.

*Concentration of Credit Risk.* The City’s investment policy contains no limitations on the amount that can be invested in any one issuer.

TexPool is considered a cash equivalent on the Government-wide and Proprietary Statements of Net Position and on the Balance Sheet of the Governmental Fund Financial Statements.

**Receivables**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, debt service, nonmajor governmental, utility, and nonmajor enterprise funds, including the applicable allowances for uncollectible accounts:

Receivables	General	Debt Service	Nonmajor Governmental	Utility	Nonmajor Enterprise	Total
Taxes	\$ 2,312,219	\$ 206,877	\$ 592,948	\$ -	\$ -	\$ 3,112,044
Accounts	104,636	-	81,622	1,722,217	283,165	2,191,640
Other	244,171	-	-	-	-	244,171
Gross receivables	2,661,026	206,877	674,570	1,722,217	283,165	5,547,855
Less: allowance for uncollectibles	(125,471)	(82,637)	(6,473)	(180,583)	(69,283)	(464,447)
Net total receivables	<u>\$ 2,535,555</u>	<u>\$ 124,240</u>	<u>\$ 668,097</u>	<u>\$ 1,541,634</u>	<u>\$ 213,882</u>	<u>\$ 5,083,408</u>



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Lease Receivable**

The City leases a portion of its property to various cell phone companies and businesses who use the space to conduct their operations, the terms of which expire 2025 through 2032. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City recognized \$63,029 in lease revenue and \$27,105 in interest revenue during the current fiscal year related to these leases. As of September 30, 2023, the City's receivable for lease payments was \$310,629. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2023, the balance of the deferred inflow of resources was \$287,496.

The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2023:

<b>Governmental Activities</b>			
<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Receipts</b>
2024	\$ 41,691	\$ 24,584	\$ 66,275
2025	43,306	22,696	66,002
2026	45,197	21,078	66,275
2027	47,453	18,822	66,275
2028	50,194	16,081	66,275
2029-2032	46,447	27,560	74,007
Totals	\$ 274,288	\$ 130,821	\$ 405,109

<b>Business-Type Activities</b>			
<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Receipts</b>
2024	\$ 17,964	\$ 836	\$ 18,800
2025	18,377	423	18,800
Totals	\$ 36,341	\$ 1,259	\$ 37,600

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***Regulated Leases***

In accordance with GASB No. 87, the City does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and aeronautical users. Regulated leases include hangars used for aeronautical purposes. The revenue recognized for these leases during the year ended September 30, 2023 was \$556.

The future principal lease receipts for regulated leases as of September 30, 2023, are as follows:

Year Ending September 30,	Amount
2024	\$ 65
2025	65
2026	66
2027	66
2028	66
2029-2033	354
2034-2038	586
2039-2043	1,808
2044-2048	1,744
2049-2052	2,392
Totals	\$ 7,212

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Capital and Lease Assets**

Capital and lease asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 6,424,748	\$ 20,000	\$ -	\$ -	\$ 6,444,748
Construction in progress	4,693,690	9,996,764	-	(8,127,587)	6,562,867
Total capital assets not being depreciated	11,118,438	10,016,764	-	(8,127,587)	13,007,615
Capital and lease assets being depreciated/amortized:					
Buildings	48,371,437	109,175	-	5,040,970	53,521,582
Lease buildings	36,514	-	-	-	36,514
Improvements	10,308,837	238,439	-	3,086,617	13,633,893
Machinery and equipment	17,141,562	918,785	(158,489)	-	17,901,858
Infrastructure	68,294,850	3,358,889	-	-	71,653,739
Lease vehicles	254,046	295,123	-	-	549,169
Totals capital and lease assets being depreciated/amortized	144,407,246	4,920,411	(158,489)	8,127,587	157,296,755
Less accumulated depreciation/amortization for:					
Buildings	(14,606,049)	(1,448,596)	-	-	(16,054,645)
Lease buildings	(8,967)	(8,967)	-	-	(17,934)
Improvements	(3,279,683)	(1,114,212)	-	-	(4,393,895)
Machinery and equipment	(13,775,315)	(1,094,721)	61,098	-	(14,808,938)
Infrastructure	(27,310,216)	(1,739,746)	-	-	(29,049,962)
Lease vehicles	(63,511)	(137,292)	-	-	(200,803)
Total accumulated depreciation/amortization	(59,043,741)	(5,543,534)	61,098	-	(64,526,177)
Total capital and lease assets, being depreciated, net	85,363,505	(623,123)	(97,391)	8,127,587	92,770,578
Governmental activities capital and lease assets, net	\$ 96,481,943	\$ 9,393,641	\$ (97,391)	\$ -	\$ 105,778,193

Depreciation/amortization expense was charged to the functions/programs of the governmental activities of the primary government as follows:

<b>Governmental Activities</b>	
General government	\$ 485,388
Public safety	1,291,720
Streets	2,286,175
Health	3,490
Equipment services	38,948
Cultural and recreational	593,814
Hospital	713,298
Public works	130,701
Total depreciation/amortization expense	<u>\$ 5,543,534</u>

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 1,088,290	\$ -	\$ -	\$ -	\$ 1,088,290
Construction in progress	4,400,883	6,067,898	-	(3,700,089)	6,768,692
Total capital assets not being depreciated	5,489,173	6,067,898	-	(3,700,089)	7,856,982
Capital and lease assets being depreciated/amortized:					
Buildings	9,471,488	23,273	-	-	9,494,761
Improvements	79,773,001	2,576,216	-	3,700,089	86,049,306
Machinery and equipment	3,798,654	397,466	(256,880)	-	3,939,240
Lease vehicles	139,478	-	-	-	139,478
Water rights	1,001,831	-	-	-	1,001,831
Total capital and lease assets being depreciated/amortization	94,184,452	2,996,955	(256,880)	3,700,089	100,624,616
Less accumulated depreciation/amortization for:					
Buildings	(6,675,556)	(182,148)	-	-	(6,857,704)
Improvements	(37,216,924)	(3,168,237)	-	-	(40,385,161)
Machinery and equipment	(2,667,472)	(466,152)	245,428	-	(2,888,196)
Lease vehicles	(34,869)	(34,870)	-	-	(69,739)
Water rights	(701,277)	(33,394)	-	-	(734,671)
Total accumulated depreciation/amortization	(47,296,098)	(3,884,801)	245,428	-	(50,935,471)
Total capital and lease assets being depreciated, net	46,888,354	(887,846)	(11,452)	3,700,089	49,689,145
Business-type capital and lease assets, net	\$ 52,377,527	\$ 5,180,052	\$ (11,452)	\$ -	\$ 57,546,127

Depreciation/amortization expense was charged to the functions/programs of the business-type activities of the primary government as follows:

<b>Business-type Activities</b>	
Utility	\$ 3,571,165
Sanitation	311,543
Airport	2,093
Total depreciation/amortization expense	<u>\$ 3,884,801</u>

**Construction Commitments**

*Construction Commitments.* The City has active construction projects as of September 30, 2023. The projects include buildings, park improvements, street improvements, infrastructure and water, and sewer improvements. At year-end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Commitment
General Construction Projects	\$ 6,562,868	\$ 9,000,000
Water and Sewer Construction Projects	6,038,870	11,384,042
Sanitation Construction Projects	729,823	150,000
	<u>\$ 13,331,561</u>	<u>\$ 20,534,042</u>

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

The park improvements, street improvements, and infrastructure projects are commitments of the City's capital project fund. The projects are being funded by grant proceeds and bond proceeds.

The water and sewer improvements projects are a commitment of the Utility fund. The projects are being funded by certificates of obligation and grant proceeds.

**Tax Abatements**

The City has four programs through which tax abatements are provided:

The City is authorized by the *Texas Tax Code Chapter 312 Property Redevelopment and Tax Abatement Act* (Tax Abatement Act) to enter into property tax abatement agreements as an economic development tool available to cities to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. Tax abatements, which can range from sixty percent to one-hundred percent of property tax on the value of the property improvement with a duration of three to ten years, may be established upon property which is industrial or commercial zoned within the City or the extra-territorial jurisdiction of the City. The threshold criteria used for the abatement include adding a minimum of ten full-time employees and an investment of at least \$1,000,000 in property improvements. The City recaptures any and all property tax revenue lost as a result of the agreement if the owner of the property fails to complete, make, and maintain the threshold criteria. The City Commission establishes the criteria and guidelines that govern all tax abatement agreements including the percentage amount and duration of the tax abatement, which is not to exceed ten years. The market value of the property is reduced by the exempted amount under the agreement to arrive at the taxable value used to bill the property owner.

*Historic Landmark Tax Exemption Program.* This program is authorized by City Ordinance and is intended to promote historic preservation and revitalization activities in the National Register Historic Downtown District. Historic landmark structures are eligible for a historical appraised tax value exemption of twenty-five (25) percent of the appraised value of the property not to exceed twenty-five thousand dollars (\$25,000). To be eligible for the historical appraised tax value exemption; the owner of the landmark or structure must make application annually prior to the 1st day of February to the tax collector of the City. The market value of the property is reduced by the exempted amount under the agreement to arrive at the taxable value used to bill the property owner.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

*Historic Reinvestment Tax Abatement Refund Program.* This program is authorized by City Ordinance and is intended to promote historic preservation and revitalization activities in the National Register Historic Downtown District. Eligible historic landmark structures shall be entitled to reinvestment tax abatement equal to the amount of investment completed within a calendar year. The maximum tax abatement for a project shall not exceed the annual tax liability of the real property. The investments eligible shall be investments made for structural repairs and improvements, electrical repairs and improvements, plumbing repairs and improvements, mechanical repairs and improvements, interior repairs and improvements, or exterior restoration. Taxes incurred for investment in personal property shall not be eligible for abatement. Each landowner who desires to apply for a historic reinvestment tax abatement shall apply for said abatement on or before May 1st of the year the tax abatement is to be granted. The abatement, if granted, shall be applicable to only one year. Subsequent abatements for additional projects must be applied for each year.

*Historic Preservation Tax Reimbursement Program.* This program is authorized by City Ordinance and is intended to promote historic preservation and revitalization activities in the National Register Historic Downtown District. Historic preservation (construction, reconstruction or restoration) projects within the national register historic downtown district with documented expenditure for construction, reconstruction, or restoration in an amount in excess of fifteen thousand dollars (\$15,000) shall be eligible for a seven (7) year, one hundred (100) percent city tax reimbursement. Following full payment of taxes to the City, the City shall annually pay an eligible property owner one hundred percent of all real property taxes assessed against the existing real property that are paid to the City.

<b>Tax Abatement Program</b>	<b>Amount Abated</b>
Chapter 380 Tax Rebates	\$ 770,318
Historic Reinvestment Tax Abatement Refund Program	54,038
Historic Preservation Tax Reimbursement Program	25,478

The City has also entered into Economic Development Agreements to promote local economic development and to stimulate business and commercial activity in the City. These agreements include provisions for repayment if the recipient fails to fully meet its commitments. The City's agreements were as follows at September 30, 2023:

An agreement to make annual grants in an amount not to exceed the equivalent of 75 percent of the ad valorem real property taxes paid for a period of five consecutive years for Spyglass Gen Par, LC to develop real property and construct thereon improvements for a multi-family residential development. The incentive period began November 2016. The abatement amounted to \$148,328 for the fiscal year ended September 30, 2023.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

An agreement to make annual grants in the amount of \$30,000 per year, not to exceed the total amount of ad valorem real and personal property taxes paid for two consecutive five year terms for Kent Industries, Inc., Polyguard Products, Inc., and Muncaster Capital of Texas, Inc. for construction and improvements made to the corporate headquarters and training facility. The incentive period began March 2017. The abatement amounted to \$30,000 for the fiscal year ended September 30, 2023.

An agreement to make annual grants in the amount of \$35,000 per year, not to exceed the total amount of ad valorem real and personal property taxes paid for a period of ten consecutive years for Globe Products, Inc., Milglo, LLC., Minimilglo, LTD., Extreme Dead Nuts, LLC. and DNM Holding, LLC., for construction of improvements for new and expanded business development. The incentive period began October 2017. The abatement amounted to \$35,000 for the fiscal year ended September 30, 2023.

An agreement to make grant payments in an amount not to exceed a total of \$300,000 paid, in annual payments not to exceed 50 percent of the ad valorem property taxes paid by DA Ennis 45 Partner, LP., to develop approximately 6.7 acres of land and the construction and operation of multiple retail developments. The incentive period will begin upon the first tax year following the year after issuance of a certificate of occupancy. The abatement amounted to \$22,022 for the fiscal year ended September 30, 2023.

An agreement to make grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by GAF, LP., Elk Verashield Building Solutions and Elk Roofing Products for a period of four years for construction of improvements for manufacturing and industrial development. The incentive period will begin upon the first tax year following the year after issuance of a certificate of occupancy. The abatement amounted to \$59,498 for the fiscal year ended September 30, 2023.

An agreement to make annual grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by Buc-ee's Ennis, LLC., for a period of 15 years for construction of retail developments. The incentive period will begin upon the first tax year following the year after development opens for business. The abatement amounted to \$31,528 for the fiscal year ended September 30, 2023.

An agreement to make annual grant payments equal to one percent of the sales that are subject to sales tax collection, minus fees deducted by the Texas Comptroller paid by Buc-ee's Ennis, LLC., for a period of 20 years. The incentive period will begin upon the first tax year following the year after development opens for business. The abatement amounted to \$350,325 for the fiscal year ended September 30, 2023.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***Other Significant Commitments***

The City has entered into an agreement with Healthcare Quality Improvement Services, LLC (Consultant), as a consultant in relation to the QIPP. Under this agreement the Consultant provides certain financial, operations, and clinical review services for the City. The City pays a monthly base consulting fee in the amount of \$1,853 per facility. In addition to the base fee the City pays the Consultant \$600 per month of each quarter in the which the facility exceeds 90 percent of all QIPP component measures. Actual payments for the year ended September 30, 2023, were \$596,921.

***Quality Improvement Payment Program***

The City participates in the Quality Improvement Payment Program (QIPP). The program is designed to assist nursing facilities servicing indigent patients by providing funding to support increased access to healthcare within the community. It is also designed to allow participating providers to receive additional reimbursement if they either reach a national benchmark level or they make quarterly improvements in up to four predetermined quality measures. At September 30, 2023, the City recorded \$5,209,225 of prepaid intergovernmental transfers for the period of October 2023 – February 2024, which was paid by the City prior to fiscal year end in July 2023. The City is required to contribute to the state for their share of QIPP funding. Accounts receivable under this program was \$5,905,625 at September 30, 2023. The program described above is subject to review and scrutiny by both the Texas Legislature and Center for Medicare & Medicaid Services, and the program could be modified or terminated based on new legislation or regulation in future periods.

***Risk Management***

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and, other claims of various natures. The City purchases commercial liability insurance with the Texas Municipal League Intergovernmental Risk Pool to indemnify itself in event of loss. For the past three years, settlements have not exceeded scheduled and stated coverage(s).

The City self-insured for medical and prescription drug claims. The City uses an internal service fund to account for and finance both insured and uninsured risks of loss. At September 30, 2023, the internal service fund has a fund balance of \$2,792,309. Stop-loss insurance is purchased for claims in excess of \$100,000.



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims. The estimated insurance claims payable is \$669,175 at September 30, 2023. The liability also includes incurred but not reported claims (IBNR) developed by the third-party claims administrator. Changes in the balance of estimated insurance claims payable for the year ended September 30, 2023, are:

Claims liability at beginning of year	\$	661,111
Current year claims and estimate changes		3,508,439
Claims payments		<u>(3,500,375)</u>
Claims liability at end of year	\$	<u>669,175</u>

**Long-term Liabilities**

**Certificates of Obligation**

The City issues certificates of obligation to provide funds for the acquisition, construction, and maintenance of major capital facilities. Certificates of obligation have been issued for both governmental and business-type activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the government. Certificates of obligation outstanding at September 30, 2023, are as follows:

**Governmental Activities**

Series	Issue Amount	Maturity Date	Interest Rate	Year End Balances
2014	\$ 6,000,000	2/1/2034	2.0-3.75	\$ 3,840,000
2015	5,990,000	8/1/2035	2.0-3.375	3,280,000
2016	2,770,000	8/1/2031	2.0-2.10	1,470,000
2017	5,225,000	2/1/2037	3.0	3,945,000
2018	1,495,000	8/1/2037	3.0-5.0	1,210,000
2019	9,835,000	2/1/2039	3.0-5.0	8,480,000
2019A	17,065,000	2/1/2039	3.0-5.0	14,570,000
2020	16,920,000	2/1/2040	3.0-5.0	14,965,000
2022	15,000,000	2/1/2042	3.0-5.0	13,215,000
2022	3,284,000	2/1/2049	3.0-5.0	<u>3,164,000</u>
Total				<u>\$ 68,139,000</u>

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***Business-type Activities***

Series	Issue Amount	Maturity Date	Interest Rate	Year End Balances
2015	\$ 4,005,000	8/1/2035	2.0-3.375	\$ 3,315,000
2016	715,000	8/1/2026	2.0	365,000
2017	2,285,000	2/1/2037	3.0	1,710,000
2018	1,095,000	8/1/2037	3.0-5.0	885,000
2018A	4,500,000	2/1/2038	0.14-1.54	3,455,000
2020	4,665,000	2/1/2040	3.0-5.0	4,045,000
2022	15,000,000	2/1/2042	3.00-5.00	13,590,000
Total				<u>\$ 27,365,000</u>

**General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition, construction, and maintenance of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at September 30, 2023, are as follows:

***Governmental Activities***

Series	Issue Amount	Maturity Date	Interest Rate	Year End Balances
2014 – Refunding	10,045,000	8/1/2025	2.00-3.75	\$ 2,090,000
2016 – Refunding	3,325,000	8/1/2027	1.79	705,000
Total				<u>\$ 2,795,000</u>

***Development Agreement Payable***

The City entered into a development agreement with PRHC-Ennis GP, Inc. (subsequently LifePoint Hospitals, Inc.) (Company) for the purchase of an acute municipal hospital. Under the terms of the development agreement the City purchased the constructed hospital from the Company.

The development agreement payable currently outstanding and reported as a liability of the City's governmental activities at September 30, 2023, totaled \$13,031,769. The amount due within one year totals \$544,983.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

The future principal payments for Development Payable as of September 30, 2023, are as follows:

Year Ending September 30	Governmental Activities Development Agreement Required Payment
2024	\$ 544,983
2025	544,983
2026	544,983
2027	544,983
2028	544,983
2029 - 2033	2,724,915
2034 - 2038	2,724,915
2039 - 2043	2,724,915
2044 - 2048	2,132,109
	\$ 13,031,769

***Lease Liability***

The City leases vehicles from Enterprise Fleet Management and property from various third parties to conduct its operations, the terms of which expire 2024 through 2027. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2023, the value of the lease liability was \$659,108. Incremental borrowing rates of 3.80 percent to 5.80 percent were used to measure lease payables. The value of the right-to-use lease assets as of the end of the current fiscal year was \$725,161 and had accumulated amortization of \$288,476.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

The future principal and interest payments for lease liabilities as of September 30, 2023, are as follows:

<b>Governmental Activities</b>			
<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
2024	\$ 78,309	\$ 166,606	\$ 244,915
2025	144,639	145,012	289,651
2026	195,746	165,921	361,667
2027	<u>116,225</u>	<u>34,841</u>	<u>151,066</u>
Totals	<u>\$ 534,919</u>	<u>\$ 512,380</u>	<u>\$ 1,047,299</u>

<b>Business-Type Activities</b>			
<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
2024	\$ 24,393	\$ 78,903	\$ 103,296
2025	47,712	90,825	138,537
2026	<u>52,084</u>	<u>15,124</u>	<u>67,208</u>
Totals	<u>\$ 124,189</u>	<u>\$ 184,852</u>	<u>\$ 309,041</u>

**Changes in Long-term Liabilities**

Changes in the City's long-term liabilities for the year ended September 30, 2023, are as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Bonds payable:					
Certificates of obligation	\$ 71,959,000	\$ -	\$ (3,820,000)	\$ 68,139,000	\$ 4,100,000
General obligation bonds	3,955,000	-	(1,160,000)	2,795,000	1,195,000
For issuance premium	5,712,658	-	(343,257)	5,369,401	-
Lease liability	<u>276,792</u>	<u>295,123</u>	<u>(36,996)</u>	<u>534,919</u>	<u>78,309</u>
Total bonds payable	<u>81,903,450</u>	<u>295,123</u>	<u>(5,360,253)</u>	<u>76,838,320</u>	<u>5,373,309</u>
Development agreement	13,576,752	-	(544,983)	13,031,769	544,983
Claims liability	611,111	3,508,439	(3,500,375)	619,175	-
Net pension liability	1,628,137	10,282,921	-	11,911,058	-
Total OPEB liability	<u>686,712</u>	<u>-</u>	<u>(207,922)</u>	<u>478,790</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 98,406,162</u>	<u>\$ 14,086,483</u>	<u>\$ (9,613,533)</u>	<u>\$ 102,879,112</u>	<u>\$ 5,918,292</u>

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

Certificates of obligation and general obligation bonds issued for governmental activity purposes are liquidated by the debt service fund. Governmental lease obligations, net pension liability, and OPEB liability will be liquidated by the general fund. Vacation leave shall be taken during the year following its accumulation.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-type Activities</b>					
Bonds payable:					
Certificates of obligation	\$ 28,740,000	\$ -	\$ (1,375,000)	\$ 27,365,000	\$ 1,335,000
For issuance premium	2,000,201	-	(108,404)	1,891,797	-
Lease liability	136,660	-	(12,471)	124,189	24,393
<b>Total bonds payable</b>	<b>30,876,861</b>	<b>-</b>	<b>(1,495,875)</b>	<b>29,380,986</b>	<b>1,359,393</b>
Net pension liability	567,190	2,570,731	-	3,137,921	-
Total OPEB liability	171,679	-	(51,982)	119,697	-
<b>Business-type activity</b>					
Long-term liabilities	<u>\$ 31,615,730</u>	<u>\$ 2,570,731</u>	<u>\$ (1,547,857)</u>	<u>\$ 32,638,604</u>	<u>\$ 1,359,393</u>

Certificates of obligation, net pension liability, and OPEB liability issued for business-type activities are repaid from the utility and sanitation funds.

The debt service requirements for the City's bonds are as follows:

<b>Year Ending September 30</b>	<b>Governmental Activities</b>			
	<b>Certificates of Obligation</b>		<b>General Obligation Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 4,100,000	\$ 2,454,984	\$ 1,195,000	\$ 88,432
2025	3,290,000	2,300,332	1,240,000	49,514
2026	3,430,000	2,164,571	180,000	6,444
2027	3,630,000	2,022,769	180,000	3,222
2028	3,790,000	1,869,865	-	-
2029 - 2033	20,840,000	7,026,493	-	-
2034 - 2038	20,075,000	3,217,941	-	-
2039 - 2043	8,230,000	417,556	-	-
2044 - 2048	625,000	-	-	-
2049	129,000	-	-	-
	<u>\$ 68,139,000</u>	<u>\$ 21,474,510</u>	<u>\$ 2,795,000</u>	<u>\$ 147,612</u>

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

<b>Year Ending September 30</b>	<b>Business-Type Activities</b>	
	<b>Certificates</b>	
	<b>of Obligation</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 1,335,000	\$ 988,467
2025	1,385,000	942,372
2026	1,430,000	896,646
2027	1,350,000	850,709
2028	1,390,000	802,441
2029 - 2033	7,815,000	3,176,594
2034 - 2038	8,145,000	1,618,157
2039 - 2042	4,515,000	344,100
	\$ 27,365,000	\$ 9,619,484

**Line of Credit**

The City has a \$6,500,000 revolving line of credit maturing May 30, 2024, secured by gross revenues. Interest is payable semi-annually at a rate equal to the lesser of the Prime Rate plus 1.00 percent or 4.50 percent. The outstanding balance on the line of credit as of September 30, 2023, was \$6,251,070.

**Fund Balance**

**Minimum Fund Balance Policy.** In the general fund, the City strives to maintain an adequate General Fund unassigned fund balance which shall be at least the equivalent of ninety working days of general fund operating expenditures or \$1,000,000, whichever is the greater.

**Interfund Receivables and Payables**

The composition of interfund balances as of September 30, 2023, is as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General Fund	Court Technology Fund	\$ 5,562
General Fund	Airport Fund	191,719
Self Insurance Fund	General Fund	17,211
		\$ 214,492

The outstanding balances between funds result mainly from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Interfund Transfers**

The composition of interfund transfers as of September 30, 2023, is as follows:

Interfund Transfers In	Interfund Transfers Out							Totals
	Governmental Funds				Proprietary Funds			
	General	QIPP	General Capital Projects	Other Nonmajor Governmental Funds	Utility	Nonmajor Enterprise	Internal Service Fund	
<b>Governmental Funds</b>								
General	\$ -	\$ 571,783	\$ -	\$ 686,500	\$ 845,070	\$ 193,018	\$ 353,063	\$ 2,649,434
General Capital Projects	-	-	-	850,000	-	-	-	850,000
Debt Service	-	-	-	699,688	-	-	-	699,688
Nonmajor Enterprise	30,000	-	47,598	-	-	-	-	77,598
Internal Service Fund	599,478	-	-	-	99,835	-	-	699,313
	<u>\$ 629,478</u>	<u>\$ 571,783</u>	<u>\$ 47,598</u>	<u>\$ 2,236,188</u>	<u>\$ 944,905</u>	<u>\$ 193,018</u>	<u>\$ 353,063</u>	<u>\$ 4,976,033</u>

Transfers are primarily used to recover administrative costs to the General Fund for administrative services provided and moving capital construction costs from capital project funds to the Utility fund.

**Ennis Economic Development Corporation, Inc. (Corporation)**

Cash Deposits with Financial Institutions

At year-end, the Corporation's bank balance was \$5,965,524 and carrying amount was \$5,822,980. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance, \$5,715,524 was covered by collateral pledged in the Corporation's name. The collateral was held in the Corporation's name by the safekeeping departments of the pledging bank's agent and had a fair value of approximately \$5,950,358.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

Capital and Lease Assets

Capital and lease asset activity for the Corporation for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 3,467,796	\$ -	\$ -	\$ -	\$ 3,467,796
Construction in progress	1,837,461	-	(1,837,461)	-	-
Total capital assets not being depreciated	5,305,257	-	(1,837,461)	-	3,467,796
Capital and lease assets being depreciated/amortized:					
Building	5,001,733	-	-	-	5,001,733
Lease buildings	76,443	-	-	-	76,443
Improvements	343,429	-	-	-	343,429
Machinery and equipment	178,157	-	-	-	178,157
Totals capital and lease assets being depreciated/amortized	5,599,762	-	-	-	5,599,762
Less accumulated depreciation/amortization for:					
Building	(560,113)	(166,724)	-	-	(726,837)
Lease buildings	(19,111)	(19,111)	-	-	(38,222)
Improvements	(343,429)	-	-	-	(343,429)
Machinery and equipment	(78,474)	(26,158)	-	-	(104,632)
Total accumulated depreciation/amortization	(1,001,127)	(211,993)	-	-	(1,213,120)
Total capital and lease assets being depreciated, net	4,598,635	(211,993)	-	-	4,386,642
Corporation capital and lease assets, net	\$ 9,903,892	\$ (211,993)	\$ (1,837,461)	\$ -	\$ 7,854,438

Economic Development Agreements

On May 1, 2018, the Corporation entered into an economic development agreement with a DA Ennis 45 Partners, LP (DA Ennis). Under the agreement, the Corporation shall pay DA Ennis a grant of \$450,000 paid as four separate grants after specific project performance requirements are met by DA Ennis. The project includes the investment of approximately \$12,000,000 to develop approximately 6.7 acres of land and the construction and operation of multiple retail developments. As of September 30, 2023, the Corporation has made payments of \$325,000 under this agreement.



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

Sales Tax Revenue Bonds

Revenue bonds currently outstanding and reported as liabilities of the Corporation are:

Series	Issue Amount	Maturity Date	Interest Rate	Year End Balances
1999	\$ 3,290,430	8/1/2034	3.50-8.45	\$ 455,430
2014 Refunding	2,745,000	8/1/2034	0.50-4.50	1,435,000
2019 Refunding	2,240,000	8/1/2024	2.30	460,000
Total				<u>\$ 2,350,430</u>

The following is a summary of pledged revenues for the Corporation for the year ended September 30, 2023:

Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
.5% sales and use tax	\$ 3,450,083	\$ 695,981	20.2%	\$ 7,192,229	Until 2034

Lease Liability

The Corporation leases property from various third parties to conduct its operations, the terms of which expire 2024 through 2026. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2023, the value of the lease liability was \$54,293. Incremental borrowing rates of 5.75 percent to 5.80 percent were used to measure lease payables. The value of the right-to-use assets as of the end of the current fiscal year was \$76,443 and had accumulated amortization of \$38,222.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

The future principal and interest payments for lease liabilities as of September 30, 2023, are as follows:

<b>Economic Development Corporation</b>					
<b>Year Ending September 30,</b>	<b>Principal</b>		<b>Interest</b>		<b>Total Payments</b>
2024	\$ 18,486		\$ 16,440		\$ 34,926
2025	25,007		13,784		38,791
2026	<u>10,800</u>		<u>1,573</u>		<u>12,373</u>
Totals	<u>\$ 54,293</u>		<u>\$ 31,797</u>		<u>\$ 86,090</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

<b>Year Ending September 30</b>	<b>Component Unit</b>	
	<b>Sales Tax</b>	
	<b>Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 625,000	\$ 70,981
2025	169,410	70,981
2026	169,280	528,877
2027	169,435	528,092
2028	165,160	527,715
2029 - 2033	866,650	2,603,673
2034	<u>185,495</u>	<u>511,480</u>
	<u>\$ 2,350,430</u>	<u>\$ 4,841,799</u>

Changes in the Corporation's long-term liabilities for the year ended September 30, 2023, are as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Corporation</b>					
Bonds payable:					
Sales tax revenue bonds	\$ 2,965,430	\$ -	\$ (615,000)	\$ 2,350,430	\$ 625,000
Accretion on Capital Appreciation Bonds	2,504,082	255,376	-	2,759,458	-
Less deferred amounts:					
For issuance discount	(6,334)	-	528	(5,806)	-
Lease liability	<u>68,304</u>	<u>-</u>	<u>(14,011)</u>	<u>54,293</u>	<u>18,486</u>
Corporation long-term liabilities	<u>\$ 5,531,482</u>	<u>\$ 255,376</u>	<u>\$ (628,483)</u>	<u>\$ 5,158,375</u>	<u>\$ 643,486</u>

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Note 3: Defined Benefit Pension Plan**

***Plan Description***

The City participates as one of 920 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [tmrs.com](http://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 percent of the member's deposits and interest.

***Employees Covered by Benefit Terms***

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	158
Inactive employees entitled to but not yet receiving benefits	78
Active employees	205
	441
	441

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Contributions**

The contribution rates for employees in TMRS are either 5 percent, 6 percent, or 7 percent of employee gross earnings, and the City matching percentages are either 100 percent, 150 percent, or 200 percent, 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 percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.72 percent and 17.01 percent in calendar years 2023 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$2,735,998, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2109, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return (Arithmetic)</b>
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	<u>100%</u>	

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75 percent. 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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balance at January 1, 2022</b>	\$ 83,274,129	\$ 81,078,802	\$ 2,195,327
Changes for the year:			
Service cost	2,668,576	-	2,668,576
Interest	5,574,720	-	5,574,720
Difference between expected and actual experience	2,028,826	-	2,028,826
Changes of assumptions	-	-	-
Contributions - employer	-	2,346,324	(2,346,324)
Contributions - employee	-	979,385	(979,385)
Net investment income	-	(5,917,138)	5,917,138
Benefit payments, including refunds of employee contributions	(4,039,932)	(4,039,932)	-
Administrative expense	-	(51,215)	51,215
Other changes	-	61,114	(61,114)
<b>Net Changes</b>	<u>6,232,190</u>	<u>(6,621,462)</u>	<u>12,853,652</u>
<b>Balance at December 31, 2022</b>	<u>\$ 89,506,319</u>	<u>\$ 74,457,340</u>	<u>\$ 15,048,979</u>

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 percent, 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 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1.0% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1.0% Increase in Discount Rate (7.75%)
City's net pension liability \$	27,285,306	\$ 15,048,979	\$ 4,964,608

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

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

For the year ended September 30, 2023, the City recognized pension expense of \$3,813,570.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ 43,243	\$ -
Difference between projected and actual investment earnings	5,136,091	-
Differences between expected and actual economic experience	2,705,112	179,038
Contributions subsequent to the measurement date	2,121,157	-
Total	\$ 10,005,603	\$ 179,038

\$2,121,157 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended September 30</b>	<b>Net Deferred Outflows/ (Inflows) of Resources</b>
2024	\$ 848,411
2025	1,960,510
2026	2,092,469
2027	2,776,007
2028	28,011
Total	\$ 7,705,408

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Note 4: Other Postemployment Benefit (OPEB) Obligations**

***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. The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single-employer, defined benefit OPEB plan. TMRS issues a publicly available annual comprehensive financial report that can be obtained at [www.tmrs.com](http://www.tmrs.com).

***Benefits Provided***

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500.

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.

***Employees Covered by Benefit Terms***

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	111
Inactive employees entitled to but not yet receiving benefits	16
Active employees	205
	332



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***Total OPEB Liability***

The City's total OPEB liability of \$598,847 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Discount rate*	4.05% as of December 31, 2022 (1.84% as of December 31, 2021)
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	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

\* The discount rate was based on the Fidelity Index s "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Changes in Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at January 1, 2022</b>	\$ 858,391
Changes for the year:	
Service cost	37,763
Interest	15,962
Difference between expected and actual experience	(5,541)
Changes in assumptions or other inputs	(288,507)
Benefit payments	(19,581)
Net Changes	(259,904)
<b>Balance at December 31, 2022</b>	\$ 598,487

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, 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 (3.05 percent) or 1-percentage-point higher (5.05 percent) than the current rate:

	<b>1% Decrease (3.05%)</b>	<b>Current Discount Rate (4.05%)</b>	<b>1% Increase (5.05%)</b>
Total OPEB liability	\$ 709,631	\$ 598,487	\$ 511,233

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended September 30, 2023, the City recognized OPEB expense of \$31,265. At September 30, 2023, the City reported deferred outflows and deferred inflows of resources and related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ 100,916	\$ 183,332
Differences between expected and actual economic experience	129,418	257,955
Contributions subsequent to the measurement date	29,308	-
Total	\$ 259,642	\$ 441,287

\$29,308 reported as deferred inflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended September 30</b>	<b>Net Deferred Outflows/ (Inflows) of Resources</b>
2024	\$ (22,460)
2025	(26,742)
2026	(54,607)
2027	(32,630)
2028	(42,240)
Thereafter	(32,274)
Total	\$ (210,953)

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2023**

**Note 5: Contingencies**

Amounts received or receivable from granting agencies are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**Note 6: Litigation**

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's legal counsel and management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe the amount is probable.

**Note 7: Related Party Transactions**

The significant transactions between the component unit and primary government during the year ended September 30, 2023, consisted of a reimbursement for personnel costs in the amount of \$1,390,439 paid from the Economic Development Corporation to the City's General Fund.

**Note 8: New Pronouncements**

The GASB has issued the following new statements to be implemented in future years.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 (GASB 100):

This statement improves the clarity and requirements for accounting changes and error corrections. This statement will be effective for the City in fiscal year 2024. The City will evaluate the potential impact on the City's net position.

GASB Statement No. 101, *Compensated Absences* (GASB 101):

This statement addresses the recognition and measurement of compensated absences. This statement will be effective for the City in fiscal year 2025. The City will evaluate the potential impact on the City's net position.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102):

This statement requires governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. This statement will be effective for the City in fiscal year 2025. The City will evaluate the potential impact on the City's net position.

## **Required Supplementary Information**

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**City of Ennis, Texas**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Nine Measurement Years**  
**(Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total Pension Liability</b>									
Service Cost	\$ 1,491,053	\$ 1,671,627	\$ 1,840,901	\$ 2,048,680	\$ 2,160,079	\$ 2,282,005	\$ 2,275,864	\$ 2,487,609	\$ 2,668,576
Interest (on the Total Pension Liability)	3,884,019	4,045,832	4,058,860	4,283,551	4,513,388	4,705,505	4,933,807	5,187,388	5,574,720
Difference between expected and actual experience	(695,656)	(749,875)	57,172	(44,355)	(488,779)	(246,203)	(92,382)	1,728,845	2,028,826
Changes of assumptions	-	(37)	-	-	-	162,535	-	-	-
Benefit payments, including refunds of employee contributions	(2,288,691)	(2,627,506)	(2,809,516)	(2,654,647)	(3,222,511)	(3,576,427)	(3,460,624)	(3,472,190)	(4,039,932)
<b>Net Change in Total Pension Liability</b>	2,390,725	2,340,041	3,147,417	3,633,229	2,962,177	3,327,415	3,656,665	5,931,652	6,232,190
<b>Total Pension Liability - Beginning</b>	55,884,808	58,275,533	60,615,574	63,762,991	67,396,220	70,358,397	73,685,812	77,342,477	83,274,129
<b>Total Pension Liability - Ending (a)</b>	\$ 58,275,533	\$ 60,615,574	\$ 63,762,991	\$ 67,396,220	\$ 70,358,397	\$ 73,685,812	\$ 77,342,477	\$ 83,274,129	\$ 89,506,319
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 1,635,304	\$ 1,686,270	\$ 1,781,293	\$ 1,898,840	\$ 2,010,628	\$ 2,054,555	\$ 2,010,023	\$ 2,188,099	\$ 2,346,324
Contributions - Employee	608,568	636,329	695,429	765,657	804,713	851,041	842,021	915,524	979,385
Net Investment Income	2,775,570	75,581	3,443,016	7,486,574	(1,841,480)	9,147,353	5,130,608	9,397,117	(5,917,138)
Benefit payments, including refunds of employee contributions	(2,288,691)	(2,627,506)	(2,809,516)	(2,654,647)	(3,222,511)	(3,576,427)	(3,460,624)	(3,472,190)	(4,039,932)
Administrative Expense	(28,980)	(46,036)	(38,883)	(38,796)	(35,586)	(51,699)	(33,206)	(43,486)	(51,215)
Other	(2,383)	(2,273)	(2,095)	(1,966)	(1,860)	(1,553)	(1,295)	299	61,114
<b>Net Change in Plan Fiduciary Net Position</b>	2,699,388	(277,635)	3,069,244	7,455,662	(2,286,096)	8,423,270	4,487,527	8,985,363	(6,621,462)
<b>Plan Fiduciary Net Position - Beginning</b>	48,522,079	51,221,467	50,943,832	54,013,076	61,468,738	59,182,642	67,605,912	72,093,439	81,078,802
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 51,221,467	\$ 50,943,832	\$ 54,013,076	\$ 61,468,738	\$ 59,182,642	\$ 67,605,912	\$ 72,093,439	\$ 81,078,802	\$ 74,457,340
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 7,054,066	\$ 9,671,742	\$ 9,749,915	\$ 5,927,482	\$ 11,175,755	\$ 6,079,900	\$ 5,249,038	\$ 2,195,327	\$ 15,048,979
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	87.90%	84.04%	84.71%	91.21%	84.12%	91.75%	93.21%	97.36%	83.19%
<b>Covered Payroll</b>	8,682,504	9,070,142	9,934,705	10,937,960	11,495,895	12,157,727	12,028,878	13,078,913	13,986,249
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	81.24%	106.63%	98.14%	54.19%	97.22%	50.01%	43.64%	16.79%	107.60%

**Notes to Schedule:**  
The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

# City of Ennis, Texas

## Schedule of Contributions

### Last Nine Fiscal Years

#### (Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 1,673,240	\$ 1,683,257	\$ 1,827,529	\$ 2,006,005	\$ 1,987,824	\$ 2,064,308	\$ 2,071,820	\$ 2,387,972	\$ 2,735,998
Contributions in relation to the actuarially determined contribution	1,673,240	1,683,257	1,827,529	2,006,005	1,987,824	2,064,308	2,071,820	2,387,972	2,735,998
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered payroll	8,991,990	9,315,037	10,437,703	11,493,429	11,649,523	12,402,127	12,218,774	14,084,103	15,584,995
Contributions as a percentage of covered payroll	18.61%	18.07%	17.51%	17.45%	17.06%	16.64%	16.96%	16.96%	17.56%

**Schedule Notes:**

*Valuation Dates:*

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

*Methods and Assumptions Used to Determine Contribution Rates:*

Actuarial Cost Method

Entry Age Normal

Amortization Method

Level Percentage of Payroll, Closed

Remaining Amortization Period

22 years

Asset Valuation Method

10 year smoothed fair value; 12% soft corridor

Inflation

2.50%

Salary Increases

3.50% to 11.50% including inflation

Investment Rate of Return

6.75%

Retirement Age

Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

*Other Information:*

Notes

There were no benefit changes during the year.

**Notes to Schedule:**

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10- year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.



# City of Ennis, Texas

## Schedule of Changes in Total OPEB Liability and Related Ratios

### Last Six Measurement Years

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 18,595	\$ 22,992	\$ 20,668	\$ 26,464	\$ 36,621	\$ 37,763
Interest (on the Total Pension Liability)	19,447	19,591	33,778	19,577	16,466	15,962
Difference between expected and actual experience	-	322,231	(356,825)	(29,501)	(14,824)	(5,541)
Changes of assumptions and other inputs	43,318	(39,134)	106,935	103,301	25,579	(288,507)
Benefit payments	(6,563)	(5,748)	(6,079)	(6,014)	(20,926)	(19,581)
<b>Net Change in Total OPEB Liability</b>	<u>74,797</u>	<u>319,932</u>	<u>(201,523)</u>	<u>113,827</u>	<u>42,916</u>	<u>(259,904)</u>
<b>Total OPEB Liability – Beginning</b>	<u>508,442</u>	<u>583,239</u>	<u>903,171</u>	<u>701,648</u>	<u>815,475</u>	<u>858,391</u>
<b>Total OPEB Liability – Ending</b>	<u>\$ 583,239</u>	<u>\$ 903,171</u>	<u>\$ 701,648</u>	<u>\$ 815,475</u>	<u>\$ 858,391</u>	<u>\$ 598,487</u>
<b>Covered-Employee Payroll</b>	10,937,960	11,495,895	12,157,727	12,028,878	13,078,913	13,986,249
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	5.33%	7.86%	5.77%	6.78%	6.56%	4.28%

**Notes to Schedule:**

*Plan Information:*

Single-employer unfunded OPEB plan

There are no assets accumulated in a trust that meets the criteria in GASB Statement No.75 paragraph 4 to pay related benefits.

*Changes of assumptions:*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

*Actuarial Valuation and Measurement Date:*

December 31

*Significant actuarial assumptions used to measure the total OPEB liability:*

Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Discount Rate	4.05% (1.84% in prior year)
Retiree's 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 – Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

The information in this schedule has been determined as of the measurement date (December 31) of the City's total OPEB liability and is intended to show information for 10 years. However, until a full 10- year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

## Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

*Museum Fund* – This fund is used to account for revenues earned from operations and donations given to the City for the development and enhancement of the museum.

*Forfeited Contraband Fund* – This fund is used to account for seized property to be used for official purposes as provided by Article 59.06 Texas Code of Criminal Procedure.

*Law Enforcement Education Fund* – This fund is used to account for fines received to provide law enforcement training and education.

*COPS More Grant Fund* – This fund is used to account for grants received to hire additional career law enforcement officers.

*COE 2010 Trust Library* – This fund is used to account for improvements to the Ennis Public Library which are funded by an anonymous, conditional bequest to the City received during 2010.

*Tourism Fund* – This fund accounts for the 7 percent Hotel/Motel Occupancy Tax levied on all hotels and motels in the City. Funds are used for advertising and general promotion of the City, historical preservation.

*Court Technology Fund* – This fund accounts for the collection of a municipal court technology fee. The proceeds of a fee attached to each conviction are dedicated to acquisition of technology that enhances the operation efficiency of the court.

*Court Security Fund* – This fund accounts for the collection of a municipal court security fee. The proceeds of a fee attached to each conviction are dedicated to securing the municipal court.

*Crime Control & Prevention District* – This fund is used to account for the 1/4 cent Crime Control Tax. The revenue from this tax is intended to enhance the law enforcement capabilities of the Ennis Police Department by providing critical equipment and personnel.

*Street Maintenance* – This fund is used to account for the 1/4 cent Street Maintenance Tax revenues and expenditures devoted to street repair, mill and overlay, and reconstruction projects.

*Police Donation* – This fund is used to account for donations and contributions given to the City for the enhancement of the law enforcement capabilities.

## **Nonmajor Special Revenue Funds (Continued)**

*Fire Donation* – This fund is used to account for donations and contributions given to the City for the enhancement of the fire protection capabilities.

*Parks Donation* – This fund is used to account for donations and contributions given to the City for the enhancement of the parks.

*Cardinals Park Land Development* – This fund is used to account for park land development in the subdivision.

*Bluebonnet Estates Park Land Development* – This fund is used to account for park land development in the subdivision.

*Creechville Zone Park Land Development* – This fund is used to account for park land development in the subdivision.

*Employee Appreciation* – This fund is used to account for donations and contributions given to the City to fund employee appreciation incentives.

## **Nonmajor Capital Projects Fund**

Capital project funds are used to account for the financial resources segregated for the acquisition of major capital facilities other than those financed by enterprise funds.

*Tax Increment Reinvestment Zone #1 Fund* – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

*Tax Increment Reinvestment Zone #2 Fund* – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

*Tax Increment Reinvestment Zone #3 Fund* – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

*Prairie View Public Improvement District Fund* – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

*Hollow Public Improvement District Fund* – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

## **Nonmajor Permanent Fund**

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

*Library Endowment Fund* – This fund is used to account for all donations and memorials given to the City for the purchase of library furnishings and books.

**City of Ennis, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2023**

<b>Assets</b>	<b>Nonmajor Special Revenue</b>	<b>Nonmajor Capital Projects</b>	<b>Nonmajor Permanent</b>	<b>Total Nonmajor Governmental Funds</b>
Cash and cash equivalents	\$ 3,363,017	\$ 1,969,927	\$ 233,517	\$ 5,566,461
Other receivables	643,364	24,733	-	668,097
Intergovernmental receivables	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 4,006,381</b>	<b>\$ 1,994,660</b>	<b>\$ 233,517</b>	<b>\$ 6,234,558</b>
<b>Liabilities</b>				
Accounts payable	\$ 156,847	\$ 4,085	\$ -	\$ 160,932
Unearned revenue	-	-	-	-
Accrued payroll	9,811	-	-	9,811
Due to other funds	5,562	-	-	5,562
<b>Total liabilities</b>	<b>172,220</b>	<b>4,085</b>	<b>-</b>	<b>176,305</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue – property taxes	-	8,859	-	8,859
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>8,859</b>	<b>-</b>	<b>8,859</b>
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Endowment	-	-	28,966	28,966
<b>Restricted:</b>				
Capital projects	-	1,981,716	-	1,981,716
Cultural and recreational	1,057,455	-	204,551	1,262,006
Public safety	1,121,432	-	-	1,121,432
Streets	1,087,060	-	-	1,087,060
Tourism	573,776	-	-	573,776
<b>Unassigned (Deficit)</b>	<b>(5,562)</b>	<b>-</b>	<b>-</b>	<b>(5,562)</b>
<b>Total fund balances</b>	<b>3,834,161</b>	<b>1,981,716</b>	<b>233,517</b>	<b>6,049,394</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,006,381</b>	<b>\$ 1,994,660</b>	<b>\$ 233,517</b>	<b>\$ 6,234,558</b>

**City of Ennis, Texas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2023**

	<b>Nonmajor Special Revenue</b>	<b>Nonmajor Capital Projects</b>	<b>Nonmajor Permanent</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ 1,114,050	\$ -	\$ 1,114,050
Sales taxes	3,413,485	-	-	3,413,485
Hotel occupancy taxes	533,543	-	-	533,543
Fines and forfeitures	15,636	-	-	15,636
Investment earnings	8,938	4,605	10	13,553
Miscellaneous	203	-	10,240	10,443
Intergovernmental	-	-	-	-
Contributions and donations	120,884	-	-	120,884
	<u>4,092,689</u>	<u>1,118,655</u>	<u>10,250</u>	<u>5,221,594</u>
Total revenues				
<b>Expenditures</b>				
Current:				
General government	328,943	-	-	328,943
Public safety	1,201,851	-	-	1,201,851
Streets	2,038,376	-	-	2,038,376
Cultural and recreational	7,812	-	-	7,812
Capital outlay:	-	57,898	-	57,898
	<u>3,576,982</u>	<u>57,898</u>	<u>-</u>	<u>3,634,880</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>515,707</u>	<u>1,060,757</u>	<u>10,250</u>	<u>1,586,714</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(2,236,188)	-	-	(2,236,188)
Sale of capital assets	3,690	-	-	3,690
	<u>(2,232,498)</u>	<u>-</u>	<u>-</u>	<u>(2,232,498)</u>
Total other financing sources (uses)				
<b>Net Change in Fund Balances</b>	(1,716,791)	1,060,757	10,250	(645,784)
<b>Fund Balances, Beginning</b>	<u>5,550,952</u>	<u>920,959</u>	<u>223,267</u>	<u>6,695,178</u>
<b>Fund Balances, Ending</b>	<u>\$ 3,834,161</u>	<u>\$ 1,981,716</u>	<u>\$ 233,517</u>	<u>\$ 6,049,394</u>



# City of Ennis, Texas

## Combining Balance Sheet (Continued)

### Nonmajor Special Revenue Funds

#### September 30, 2023

	Crime Control and Prevention District	Street Maintenance	Police Donation	Fire Donation	Parks Donation	Cardinals Park Land Development	Bluebonnet Estates Park Land Development	Creechville Zone Park Land Development	Employee Appreciation	Totals
Cash and cash equivalents	\$ 808,422	\$ 873,515	\$ 8,060	\$ 14,713	\$ 3,709	\$ 119,000	\$ 210,527	\$ 221,664	\$ -	\$ 3,363,017
Other receivables	276,005	285,737	-	-	-	-	-	-	-	643,364
Total assets	<u>\$ 1,084,427</u>	<u>\$ 1,159,252</u>	<u>\$ 8,060</u>	<u>\$ 14,713</u>	<u>\$ 3,709</u>	<u>\$ 119,000</u>	<u>\$ 210,527</u>	<u>\$ 221,664</u>	<u>\$ -</u>	<u>\$ 4,006,381</u>
<b>Liabilities</b>										
Accounts payable	\$ 50,691	\$ 72,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,847
Accrued payroll	-	-	-	-	-	-	-	-	-	9,811
Due to other funds	-	-	-	-	-	-	-	-	-	5,562
Total liabilities	<u>\$ 50,691</u>	<u>\$ 72,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,220</u>
<b>Fund Balances (Deficit)</b>										
<b>Restricted:</b>										
Cultural and recreation	-	-	-	-	3,709	119,000	210,527	221,664	-	1,057,455
Public safety	1,033,736	-	8,060	14,713	-	-	-	-	-	1,121,432
Streets	-	1,087,060	-	-	-	-	-	-	-	1,087,060
Tourism	-	-	-	-	-	-	-	-	-	573,776
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	(5,562)
Total fund balances (deficit)	<u>\$ 1,033,736</u>	<u>\$ 1,087,060</u>	<u>\$ 8,060</u>	<u>\$ 14,713</u>	<u>\$ 3,709</u>	<u>\$ 119,000</u>	<u>\$ 210,527</u>	<u>\$ 221,664</u>	<u>\$ -</u>	<u>\$ 3,834,161</u>
Total liabilities and fund balances	<u>\$ 1,084,427</u>	<u>\$ 1,159,252</u>	<u>\$ 8,060</u>	<u>\$ 14,713</u>	<u>\$ 3,709</u>	<u>\$ 119,000</u>	<u>\$ 210,527</u>	<u>\$ 221,664</u>	<u>\$ -</u>	<u>\$ 4,006,381</u>

**City of Ennis, Texas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For Year Ended September 30, 2023**

	Museum	Forfeited Contra band	Law Enforcement Education	COPS More Grant	COE 2010 Trust Library	Tourism	Court Technology	Court Security
<b>Revenues</b>								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-	-	533,543	-	-
Fines and forfeitures	-	-	-	-	-	-	9,717	5,919
Investment earnings	33	152	21	-	1,865	1,602	-	111
Miscellaneous	180	-	-	-	-	23	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	10,052	-	-	-
Total revenues	213	152	21	-	11,917	535,168	9,717	6,030
<b>Expenditures</b>								
Current:								
General government	-	-	-	-	-	327,168	-	195
Public safety	-	21,397	5,178	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-
Cultural and recreation	142	-	-	-	5,185	-	-	-
Total expenditures	142	21,397	5,178	-	5,185	327,168	-	195
Excess (deficiency) of revenues over (under) expenditures	71	(21,245)	(5,157)	-	6,732	208,000	9,717	5,835
<b>Other Financing Sources (Uses)</b>								
Transfers out	-	-	-	-	-	(126,300)	-	-
Sale of capital assets	-	3,690	-	-	-	-	-	-
Total other financing sources (uses)	-	3,690	-	-	-	(126,300)	-	-
<b>Net Change in Fund Balances</b>	71	(17,555)	(5,157)	-	6,732	81,700	9,717	5,835
<b>Fund Balances, Beginning</b>	8,614	46,530	8,748	2	487,138	492,076	(15,279)	26,520
<b>Fund Balances, Ending</b>	\$ 8,685	\$ 28,975	\$ 3,591	\$ 2	\$ 493,870	\$ 573,776	\$ (5,562)	\$ 32,355



# City of Ennis, Texas

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds (Continued) For Year Ended September 30, 2023

Revenues	Crime Control and Prevention District	Street Maintenance	Police Donation	Fire Donation	Parks Donation	Cardinals Park Land Development	Bluebonnet Estates Park Land Development	Creechville Zone Park Land Development	Employee Appreciation	Totals
Sales taxes	\$ 1,688,443	\$ 1,725,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,413,485
Hotel occupancy taxes	-	-	-	-	-	-	-	-	-	533,543
Fines and forfeitures	-	-	-	-	-	-	-	-	-	15,636
Investment earnings	5,059	-	30	53	10	-	-	-	2	8,938
Miscellaneous	-	-	-	-	-	-	-	-	-	203
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	7,200	5,500	-	98,132	-	-	120,884
Total revenues	1,693,502	1,725,042	30	7,253	5,510	-	98,132	-	2	4,092,689
<b>Expenditures</b>										
Current:										
General government	-	-	-	-	-	-	-	-	1,580	328,943
Public safety	1,169,479	-	-	5,797	-	-	-	-	-	1,201,851
Streets	-	2,038,376	-	-	-	-	-	-	-	2,038,376
Cultural and recreation	-	-	-	-	2,485	-	-	-	-	7,812
Total expenditures	1,169,479	2,038,376	-	5,797	2,485	-	-	-	1,580	3,576,982
Excess (deficiency) of revenues over (under) expenditures	524,023	(313,334)	30	1,456	3,025	-	98,132	-	(1,578)	515,707
<b>Other Financing Sources (Uses)</b>										
Transfers out	(1,259,888)	(850,000)	-	-	-	-	-	-	-	(2,236,188)
Sale of capital assets	-	-	-	-	-	-	-	-	-	3,690
Total other financing sources (uses)	(1,259,888)	(850,000)	-	-	-	-	-	-	-	(2,232,498)
<b>Net Change in Fund Balances</b>	(735,865)	(1,163,334)	30	1,456	3,025	-	98,132	-	(1,578)	(1,716,791)
<b>Fund Balances, Beginning</b>	1,769,601	2,250,394	8,030	13,257	684	119,000	112,395	221,664	1,578	5,550,952
<b>Fund Balances, Ending</b>	\$ 1,033,736	\$ 1,087,060	\$ 8,060	\$ 14,713	\$ 3,709	\$ 119,000	\$ 210,527	\$ 221,664	\$ -	\$ 3,834,161

**City of Ennis, Texas**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**September 30, 2023**

	Tax Increment Zone #1	Tax Increment Zone #2	Tax Increment Zone #3	Prairie View PID	Hollow PID	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 1,153,889	\$ 514,926	\$ 271,112	\$ -	\$ 30,000	\$ 1,969,927
Other receivables	4,732	3,169	1,832	15,000	-	24,733
Total assets	1,158,621	518,095	272,944	15,000	30,000	1,994,660
<b>Liabilities</b>						
Accounts payable	-	-	-	2,508	1,577	4,085
Total liabilities	-	-	-	2,508	1,577	4,085
<b>Deferred Inflows of Resources</b>						
Unavailable revenue – property taxes	4,307	2,885	1,667	-	-	8,859
Total deferred in flows of resources	4,307	2,885	1,667	-	-	8,859
<b>Fund Balances</b>						
Restricted:						
Capital projects	1,154,314	515,210	271,277	12,492	28,423	1,981,716
Total fund balances	1,154,314	515,210	271,277	12,492	28,423	1,981,716
Total liabilities and fund balances	\$ 1,154,314	\$ 515,210	\$ 271,277	\$ 15,000	\$ 30,000	\$ 1,985,801

**City of Ennis, Texas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended September 30, 2023**

	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Tax Increment Reinvestment Zone #3	Prairie View PID	Hollow PID	Total
Property taxes	\$ 523,835	\$ 342,095	\$ 203,120	\$ 15,000	\$ 30,000	\$ 1,114,050
Investment earnings	3,034	1,167	404	-	-	4,605
Total revenues	526,869	343,262	203,524	15,000	30,000	1,118,655
<b>Expenditures</b>						
Capital outlay	76	53,629	108	2,508	1,577	57,898
Total expenditures	76	53,629	108	2,508	1,577	57,898
Excess (deficiency) of revenues over (under) expenditures	526,793	289,633	203,416	12,492	28,423	1,060,757
<b>Net Change in Fund Balances</b>	526,793	289,633	203,416	12,492	28,423	1,060,757
<b>Fund Balances, Beginning</b>	627,521	225,577	67,861	-	-	920,959
<b>Fund Balances, Ending</b>	\$ 1,154,314	\$ 515,210	\$ 271,277	\$ 12,492	\$ 28,423	\$ 1,981,716

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## **Debt Service Fund**

The debt service fund is used to account for the accumulation of resources for the payment of principal and interest on general long-term debt.

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**City of Ennis, Texas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Debt Service Fund**  
**For the Year Ended September 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 6,922,356	\$ 6,922,356	\$ 7,055,174	\$ 132,818
Investment earnings	2,000	2,000	4,237	2,237
Total revenues	<u>6,924,356</u>	<u>6,924,356</u>	<u>7,059,411</u>	<u>135,055</u>
<b>Expenditures</b>				
Principal retirement	4,830,000	4,980,000	4,980,000	-
Interest and fiscal charges	2,724,004	2,724,004	2,723,479	525
Total expenditures	<u>7,554,004</u>	<u>7,704,004</u>	<u>7,703,479</u>	<u>525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(629,648)</u>	<u>(779,648)</u>	<u>(644,068)</u>	<u>134,530</u>
<b>Other Financing Sources</b>				
Transfers in	699,688	699,688	699,688	-
Total other financing sources	<u>699,688</u>	<u>699,688</u>	<u>699,688</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	70,040	(79,960)	55,620	134,530
<b>Fund Balance, Beginning</b>	<u>105,597</u>	<u>105,597</u>	<u>105,597</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 175,637</u>	<u>\$ 25,637</u>	<u>\$ 161,217</u>	<u>\$ 134,530</u>

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## **Proprietary Funds**

### **Nonmajor Enterprise Funds**

*Sanitation Fund* - This fund is used to account for the sanitation operations.

*Airport Fund* - This fund is used to account for the airport operations.

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**City of Ennis, Texas**  
**Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**September 30, 2023**

	<b>Business-type Activities - Enterprise</b>		
	<b>Sanitation</b>	<b>Airport</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 623,313	\$ -	\$ 623,313
Receivables (net of allowance for uncollectibles)	213,869	13	213,882
Lease receivable	36,341	-	36,341
Inventories	-	28,295	28,295
Total current assets	<u>873,523</u>	<u>28,308</u>	<u>901,831</u>
<b>Noncurrent Assets</b>			
Capital and lease assets (net, where applicable of accumulated depreciation/amortization)	<u>1,323,405</u>	<u>839,407</u>	<u>2,162,812</u>
Total noncurrent assets	<u>1,323,405</u>	<u>839,407</u>	<u>2,162,812</u>
Total assets	<u>2,196,928</u>	<u>867,715</u>	<u>3,064,643</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to pension	502,416	-	502,416
Deferred outflows of resources related to OPEB	<u>6,278</u>	<u>-</u>	<u>6,278</u>
Total deferred outflows of resources	<u>508,694</u>	<u>-</u>	<u>508,694</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	39,621	3,059	42,680
Accrued payroll payable	48,392	-	48,392
Due to other funds	<u>-</u>	<u>191,719</u>	<u>191,719</u>
Total current liabilities	<u>88,013</u>	<u>194,778</u>	<u>282,791</u>
<b>Noncurrent Liabilities</b>			
Net pension liability	784,018	-	784,018
Total OPEB liability	<u>29,924</u>	<u>-</u>	<u>29,924</u>
Total noncurrent liabilities	<u>813,942</u>	<u>-</u>	<u>813,942</u>
Total liabilities	<u>901,955</u>	<u>194,778</u>	<u>1,096,733</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to pension	11,527	-	11,527
Deferred inflows of resources related to OPEB	15,543	-	15,543
Deferred inflows of resources related to leases	<u>35,533</u>	<u>-</u>	<u>35,533</u>
Total deferred inflows of resources	<u>62,603</u>	<u>-</u>	<u>62,603</u>
<b>Net Position</b>			
Net investment in capital assets	1,323,405	839,407	2,162,812
Unrestricted (Deficit)	<u>417,659</u>	<u>(166,470)</u>	<u>251,189</u>
Total net position	<u>\$ 1,741,064</u>	<u>\$ 672,937</u>	<u>\$ 2,414,001</u>

**City of Ennis, Texas**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year Ended September 30, 2023**

	<b>Business-type Activities – Enterprise</b>		
	<b>Sanitation</b>	<b>Airport</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating Revenues</b>			
Sanitation revenue	\$ 1,822,276	\$ -	\$ 1,822,276
Airport revenue	-	209,417	209,417
	<u>1,822,276</u>	<u>209,417</u>	<u>2,031,693</u>
<b>Operating Expenses</b>			
Personnel	1,026,794	-	1,026,794
Supplies	103,361	167,998	271,359
Maintenance and replacement	125,944	63,022	188,966
Miscellaneous services	99,320	19,335	118,655
Depreciation and amortization	311,543	2,093	313,636
	<u>1,666,962</u>	<u>252,448</u>	<u>1,919,410</u>
Total operating expenses	<u>1,666,962</u>	<u>252,448</u>	<u>1,919,410</u>
Operating income (loss)	<u>155,314</u>	<u>(43,031)</u>	<u>112,283</u>
<b>Nonoperating Revenue (Expenses)</b>			
Interest income	1,240	-	1,240
	<u>1,240</u>	<u>-</u>	<u>1,240</u>
Total nonoperating revenue (expenses)	<u>1,240</u>	<u>-</u>	<u>1,240</u>
Income before transfers	156,554	(43,031)	113,523
Transfers in	47,598	30,000	77,598
Transfers out	(193,018)	-	(193,018)
	<u>11,134</u>	<u>(13,031)</u>	<u>(1,897)</u>
Change in net position	<u>11,134</u>	<u>(13,031)</u>	<u>(1,897)</u>
<b>Net Position, Beginning</b>	<u>1,729,930</u>	<u>685,968</u>	<u>2,415,898</u>
<b>Net Position, Ending</b>	<u>\$ 1,741,064</u>	<u>\$ 672,937</u>	<u>\$ 2,414,001</u>

**City of Ennis, Texas**  
**Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For Year Ended September 30, 2023**

	<b>Business-type Activities – Enterprise</b>		
	<b>Sanitation</b>	<b>Airport</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	\$ 1,810,975	\$ 209,404	\$ 2,020,379
Payments to suppliers and service providers	(334,496)	(248,549)	(583,045)
Payments to employees for salaries and benefits	(955,619)	-	(955,619)
	<u>520,860</u>	<u>(39,145)</u>	<u>481,715</u>
Net cash provided by (used for) operating activities			
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers to other funds	(193,018)	-	(193,018)
Transfers from other funds	47,598	39,145	86,743
	<u>(145,420)</u>	<u>39,145</u>	<u>(106,275)</u>
Net cash provided by (used for) noncapital financing activities			
<b>Cash Flows From Capital And Related Financing Activities</b>			
Acquisition and construction of capital assets	(195,853)	-	(195,853)
Interest income	1,240	-	1,240
	<u>(194,613)</u>	<u>-</u>	<u>(194,613)</u>
Net cash used for capital and related financing activities			
Net increase in cash and cash equivalents	180,827	-	180,827
Cash and cash equivalents, October 1	442,486	-	442,486
Cash and cash equivalents, September 30	<u>\$ 623,313</u>	<u>\$ -</u>	<u>\$ 623,313</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operating income (loss)	\$ 155,314	\$ (43,031)	\$ 112,283
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	311,543	2,093	313,636
(Increase) decrease in accounts receivable	(11,301)	(13)	(11,314)
(Increase) decrease in lease receivable	(36,341)	-	(36,341)
(Increase) decrease in pension related deferred outflows	(343,222)	-	(343,222)
(Increase) decrease in OPEB related deferred outflows	11,046	-	11,046
Increase (decrease) in accounts payable	(5,063)	1,806	(3,257)
Increase (decrease) in accrued payroll payable	16,441	-	16,441
Increase (decrease) in pension related deferred inflows	(245,082)	-	(245,082)
Increase (decrease) in OPEB related deferred inflows	2,305	-	2,305
Increase (decrease) in lease related deferred inflows	35,533	-	35,533
Increase (decrease) in net pension liability	642,683	-	642,683
Increase (decrease) in Total OPEB liability	(12,996)	-	(12,996)
	<u>365,546</u>	<u>3,886</u>	<u>369,432</u>
Total adjustments			
Net cash provided by (used for) operating activities	<u>\$ 520,860</u>	<u>\$ (39,145)</u>	<u>\$ 481,715</u>

**City of Ennis, Texas**  
**Schedule of Operating Revenues and Operating Expenses**  
**Budget and Actual**  
**Enterprise Fund - Utility**  
**For the Fiscal Year Ended September 30, 2023**

	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	
<b>Water Operating Revenues</b>				
Water sales	\$ 6,274,842	\$ 6,274,842	\$ 6,647,705	\$ 372,863
Water taps and connections	203,662	203,662	227,277	23,615
Penalties	135,466	135,466	178,553	43,087
Reconnection charges	35,000	35,000	41,165	6,165
Miscellaneous	159,160	159,160	668,885	509,725
	<u>6,808,130</u>	<u>6,808,130</u>	<u>7,763,585</u>	<u>955,455</u>
<b>Sewer Operating Revenues</b>				
Sewer service charge	4,947,672	4,947,672	5,328,193	380,521
Sewer taps and connection	12,756	12,756	14,510	1,754
EPA fees	70,000	70,000	49,712	(20,288)
	<u>5,030,428</u>	<u>5,030,428</u>	<u>5,392,415</u>	<u>361,987</u>
Total operating revenues	<u>\$ 11,838,558</u>	<u>\$ 11,838,558</u>	<u>\$ 13,156,000</u>	<u>\$ 1,317,442</u>
<b>Operating Expenses</b>				
Administration:				
Personnel	\$ 548,370	\$ 471,083	\$ 477,615	\$ (6,532)
Supplies	15,800	15,800	16,548	(748)
Maintenance and replacement	1,600	1,600	2,444	(844)
Miscellaneous services	134,100	134,100	204,345	(70,245)
Capital Outlay	-	-	-	-
	<u>699,870</u>	<u>622,583</u>	<u>700,952</u>	<u>(78,369)</u>
Water operations:				
Personnel	1,654,778	1,732,065	1,869,538	(137,473)
Supplies	964,200	1,214,200	1,417,014	(202,814)
Maintenance and replacement	505,000	438,610	673,207	(234,597)
Miscellaneous services	303,050	327,550	503,201	(175,651)
Capital outlay	-	-	-	-
	<u>3,427,028</u>	<u>3,712,425</u>	<u>4,462,960</u>	<u>(750,535)</u>
Sewer operations:				
Personnel	1,328,758	1,328,758	1,307,890	20,868
Supplies	308,200	358,200	349,996	8,204
Maintenance and replacement	310,000	330,000	419,769	(89,769)
Miscellaneous services	472,900	487,900	551,327	(63,427)
Capital outlay	-	-	-	-
	<u>2,419,858</u>	<u>2,504,858</u>	<u>2,628,982</u>	<u>(124,124)</u>
Total operating expenses before depreciation and amortization	6,546,756	6,839,866	7,792,894	(953,028)
Depreciation and amortization	-	-	3,571,165	(3,571,165)
Total operating expenses	<u>\$ 6,546,756</u>	<u>\$ 6,839,866</u>	<u>\$ 11,364,059</u>	<u>\$ (4,524,193)</u>

**City of Ennis, Texas**  
**Schedule of Operating Revenues and Operating Expenses**  
**Budget and Actual**  
**Enterprise Fund - Sanitation**  
**For the Fiscal Year Ended September 30, 2023**

	<u>Budgeted Amounts</u>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating Revenues</b>				
Sanitation revenues	\$ 1,602,629	\$ 1,602,629	\$ 1,822,276	\$ 219,647
Miscellaneous	26,052	26,052	-	(26,052)
	<u>\$ 1,628,681</u>	<u>\$ 1,628,681</u>	<u>\$ 1,822,276</u>	<u>\$ 193,595</u>
<b>Operating Expenses</b>				
Sanitation				
Personnel	\$ 1,040,638	\$ 1,040,638	\$ 1,026,794	\$ 13,844
Supplies	87,100	90,052	103,361	(13,309)
Maintenance and replacement	63,000	133,886	125,944	7,942
Miscellaneous services	206,471	779,603	99,320	680,283
	<u>1,397,209</u>	<u>2,044,179</u>	<u>1,355,419</u>	<u>688,760</u>
Total operating expenses before depreciation and amortization				
Depreciation and amortization	-	-	311,543	(311,543)
	<u>\$ 1,397,209</u>	<u>\$ 2,044,179</u>	<u>\$ 1,666,962</u>	<u>\$ 377,217</u>

**City of Ennis, Texas**  
**Schedule of Operating Revenues and Operating Expenses**  
**Budget and Actual**  
**Enterprise Fund - Airport**  
**For the Fiscal Year Ended September 30, 2023**

	<u>Budgeted Amounts</u>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating Revenues</b>				
Airport revenues	\$ 152,702	\$ 152,702	\$ 209,417	\$ 56,715
Miscellaneous	60,000	60,000	-	(60,000)
	<u>\$ 212,702</u>	<u>\$ 212,702</u>	<u>\$ 209,417</u>	<u>\$ (3,285)</u>
<b>Operating Expenses</b>				
Airport:				
Supplies	\$ 147,600	\$ 147,600	\$ 167,998	\$ (20,398)
Maintenance and replacement	37,000	86,969	63,022	23,947
Miscellaneous services	14,891	44,891	19,335	25,556
	<u>199,491</u>	<u>279,460</u>	<u>250,355</u>	<u>29,105</u>
Total operating expenses before depreciation and amortization				
Depreciation and amortization	-	-	2,093	(2,093)
	<u>\$ 199,491</u>	<u>\$ 279,460</u>	<u>\$ 252,448</u>	<u>\$ 27,012</u>



## **Internal Service Funds**

*Self-Insurance Fund* - This fund is used to account for self-insurance services provided to other departments of the City on a cost-reimbursement basis for medical claims and prescription drugs.

*Fleet Replacement Fund* - This fund is used to account for fleet maintenance services provided to other departments of the City on a cost-reimbursement basis.

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**City of Ennis, Texas**  
**Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2023**

	<b>Internal Service Funds</b>		
	<b>Self Insurance Fund</b>	<b>Fleet Replacement Fund</b>	<b>Total Internal Service Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 3,444,273	649,778	\$ 4,094,051
Due from other funds	17,211	-	17,211
Total assets	<u>3,461,484</u>	<u>649,778</u>	<u>4,111,262</u>
<b>Liabilities</b>			
Accounts payable	-	49,597	49,597
Claims payable	669,175	-	669,175
Total liabilities	<u>669,175</u>	<u>49,597</u>	<u>718,772</u>
<b>Net Position</b>			
Unrestricted	<u>2,792,309</u>	<u>600,181</u>	<u>3,392,490</u>
Total net position	<u>\$ 2,792,309</u>	<u>\$ 600,181</u>	<u>\$ 3,392,490</u>

**City of Ennis, Texas**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2023**

	<b>Internal Service Funds</b>		
	<b>Self Insurance Fund</b>	<b>Fleet Replacement Fund</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues</b>			
Charges for services	\$ 4,689,680	\$ -	\$ 4,689,680
Total operating revenues	<u>4,689,680</u>	<u>-</u>	<u>4,689,680</u>
<b>Operating Expenses</b>			
Insurance claims and expenses	4,463,972	-	4,463,972
Maintenance and replacement	<u>-</u>	<u>504,609</u>	<u>504,609</u>
Total operating expenses	<u>4,463,972</u>	<u>504,609</u>	<u>4,968,581</u>
Operating income (loss)	<u>225,708</u>	<u>(504,609)</u>	<u>(278,901)</u>
<b>Nonoperating Revenue (Expenses)</b>			
Gain on disposal of property	<u>-</u>	<u>405,477</u>	<u>405,477</u>
Total nonoperating revenue (expenses)	<u>-</u>	<u>405,477</u>	<u>405,477</u>
Income before transfers	225,708	(99,132)	126,576
Transfers in	-	699,313	699,313
Transfers out	<u>(353,063)</u>	<u>-</u>	<u>(353,063)</u>
Change in net position	(127,355)	600,181	472,826
<b>Net Position, Beginning</b>	<u>2,919,664</u>	<u>-</u>	<u>2,919,664</u>
<b>Net Position, Ending</b>	<u>\$ 2,792,309</u>	<u>\$ 600,181</u>	<u>\$ 3,392,490</u>

**City of Ennis, Texas**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2023**

	<b>Internal Service Funds</b>		
	<b>Self Insurance Fund</b>	<b>Fleet Replacement Fund</b>	<b>Total Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from interfund charges for self-insurance	\$ 4,689,680	\$ -	\$ 4,689,680
Payments to suppliers and service providers	(4,455,908)	(455,012)	(4,910,920)
Net cash provided by (used for) operating activities	<u>233,772</u>	<u>(455,012)</u>	<u>(221,240)</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers to other funds	(381,666)	-	(381,666)
Transfers from other funds	-	699,313	699,313
Net cash provided by (used for) noncapital financing activities	<u>(381,666)</u>	<u>699,313</u>	<u>317,647</u>
<b>Cash Flows From Capital And Related Financing Activities</b>			
Proceeds from the sale of capital assets	-	405,477	405,477
Net cash provided by capital and related financing activities	<u>-</u>	<u>405,477</u>	<u>405,477</u>
Net increase (decrease) in cash and cash equivalents	(147,894)	649,778	501,884
Cash and cash equivalents, October 1	<u>3,592,167</u>	<u>-</u>	<u>3,592,167</u>
Cash and cash equivalents, September 30	<u>\$ 3,444,273</u>	<u>\$ 649,778</u>	<u>\$ 4,094,051</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operating income (loss)	\$ 225,708	\$ (504,609)	\$ (278,901)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in accounts payable	8,064	49,597	57,661
Total adjustments	<u>8,064</u>	<u>49,597</u>	<u>57,661</u>
Net cash provided by (used for) operating activities	<u>\$ 233,772</u>	<u>\$ (455,012)</u>	<u>\$ (221,240)</u>

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## **Statistical Section**

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# City of Ennis, Texas

## Table Descriptions

This part of the City's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### Contents Pages

<b>Financial Trends</b>	<b>95-99</b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>99-103</b>
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	<b>104-107</b>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>108-110</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>111-113</b>
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**City of Ennis, Texas**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 27,768,206	\$ 27,488,955	\$ 28,345,988	\$ 30,870,870
Restricted	1,378,049	2,392,432	3,470,822	4,423,202
Unrestricted	2,883,184	451,345	(38,762)	(3,109,063)
Total governmental activities net position	<u>\$ 32,029,439</u>	<u>\$ 30,332,732</u>	<u>\$ 31,778,048</u>	<u>\$ 32,185,009</u>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 22,632,356	\$ 22,776,396	\$ 23,387,335	\$ 23,918,285
Restricted	600,548	-	-	-
Unrestricted	2,946,577	2,213,968	2,328,080	2,215,764
Total business-type activities net position	<u>\$ 26,179,481</u>	<u>\$ 24,990,364</u>	<u>\$ 25,715,415</u>	<u>\$ 26,134,049</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 50,400,562	\$ 50,265,351	\$ 51,733,323	\$ 54,789,155
Restricted	1,978,597	2,392,432	3,470,822	4,423,202
Unrestricted	5,829,761	2,665,313	2,289,318	(893,299)
Total primary government net position	<u>\$ 58,208,920</u>	<u>\$ 55,323,096</u>	<u>\$ 57,493,463</u>	<u>\$ 58,319,058</u>

**Source:** Annual Comprehensive Financial Report

**Note:** The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior years have not been restated for the effects of this standard.

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 29,095,218	\$ 28,875,948	\$ 25,918,970	\$ 28,463,890	\$ 29,775,266	\$ 39,784,516	
4,037,124	2,136,186	4,311,693	4,209,037	12,505,972	17,645,852	
(675,895)	105,591	76,134	12,733,099	17,779,279	13,765,382	
<u>\$ 32,456,447</u>	<u>\$ 31,117,725</u>	<u>\$ 30,306,797</u>	<u>\$ 45,406,026</u>	<u>\$ 60,060,517</u>	<u>\$ 71,195,750</u>	
\$ 25,043,255	\$ 29,033,174	\$ 32,807,774	\$ 38,282,575	\$ 40,714,128	\$ 41,649,621	
-	-	-	-	-	-	
2,930,528	2,568,272	1,553,060	1,859,703	3,053,127	6,455,245	
<u>\$ 27,973,783</u>	<u>\$ 31,601,446</u>	<u>\$ 34,360,834</u>	<u>\$ 40,142,278</u>	<u>\$ 43,767,255</u>	<u>\$ 48,104,866</u>	
\$ 54,138,473	\$ 57,909,122	\$ 58,726,744	\$ 66,746,465	\$ 70,489,394	\$ 81,434,137	
4,037,124	2,136,186	4,311,693	4,209,037	12,505,972	17,645,852	
2,254,633	2,673,863	1,629,194	14,592,802	20,832,406	20,220,627	
<u>\$ 60,430,230</u>	<u>\$ 62,719,171</u>	<u>\$ 64,667,631</u>	<u>\$ 85,548,304</u>	<u>\$ 103,827,772</u>	<u>\$ 119,300,616</u>	

**City of Ennis, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,103,543	\$ 2,009,993	\$ 2,493,478	\$ 3,484,434
Public Safety	7,980,862	8,355,627	9,328,294	11,271,841
Streets	2,253,495	2,210,989	2,703,513	3,259,684
Health	375,297	384,148	334,096	449,742
Equipment services	140,749	253,835	330,555	343,313
Cultural and recreational	1,222,311	1,270,123	1,278,502	1,710,782
Airport	194,828	169,804	148,531	288,471
Hospital	1,229,356	1,229,356	1,229,321	1,223,582
Public works	90,114	179,270	363,013	372,854
Sanitation services	1,011,691	-	-	-
Interest on long-term debt	1,051,856	832,587	965,000	930,610
<b>Total governmental activities</b>	<b>16,654,102</b>	<b>16,895,732</b>	<b>19,174,303</b>	<b>23,335,313</b>
Business-type activities:				
Utility	8,177,866	7,375,025	7,840,074	8,061,956
Sanitation	-	1,060,622	1,153,513	1,122,815
Airport	-	-	-	-
<b>Total business-type activities</b>	<b>8,177,866</b>	<b>8,435,647</b>	<b>8,993,587</b>	<b>9,184,771</b>
<b>Total expenses</b>	<b>\$ 24,831,968</b>	<b>\$ 25,331,379</b>	<b>\$ 28,167,890</b>	<b>\$ 32,520,084</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 144,941	\$ 222,213	\$ 308,178	\$ 367,645
Public safety	744,872	611,883	763,986	700,651
Airport	149,848	77,164	35,236	46,633
Health	-	-	-	-
Cultural and recreational	19,385	20,603	19,920	15,151
Hospital	544,893	544,893	544,893	544,893
Public Works	21,917	8,958	3,677	5,327
Sanitation services	897,447	-	-	-
Operating grants and contributions	12,013	247,955	458,596	472,921
Capital grants and contributions	-	12,037	270,773	1,345,067
<b>Total governmental activities</b>	<b>2,535,316</b>	<b>1,745,706</b>	<b>2,405,259</b>	<b>3,498,288</b>
Business-type activities:				
Charges for services:				
Utility	7,684,522	8,154,106	8,617,166	9,364,187
Sanitation	-	970,323	1,112,661	1,509,792
Airport	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	702,809	129,639
<b>Total business-type activities</b>	<b>7,684,522</b>	<b>9,124,429</b>	<b>10,432,636</b>	<b>11,003,618</b>
<b>Total program revenues</b>	<b>\$ 10,219,838</b>	<b>\$ 10,870,135</b>	<b>\$ 12,837,895</b>	<b>\$ 14,501,906</b>
Net (expense)/revenue				
Government activities	\$ (14,118,786)	\$ (15,150,026)	\$ (16,769,044)	\$ (19,837,025)
Business-type activities	(493,344)	688,782	1,439,049	1,818,847
<b>Total net expense</b>	<b>\$ (14,612,130)</b>	<b>\$ (14,461,244)</b>	<b>\$ (15,329,995)</b>	<b>\$ (18,018,178)</b>

**Fiscal Year**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	3,052,597	\$ 3,323,582	\$ 9,654,303	\$ 4,377,857	\$ 5,118,335	\$ 8,963,262
	10,408,224	10,731,634	12,703,761	13,037,988	13,714,222	16,648,611
	4,793,071	3,805,200	2,990,759	3,491,357	3,930,028	6,902,210
	502,639	14,151,551	103,997,142	145,722,694	218,194,521	298,309,815
	318,197	405,495	401,137	315,210	344,900	310,039
	1,540,188	1,696,613	1,908,687	1,823,078	2,103,452	2,632,593
	359,718	-	-	-	-	-
	1,160,052	1,160,052	-	-	1,128,807	716,788
	362,099	869,278	557,302	585,827	645,638	797,406
	-	-	-	-	-	-
	897,132	1,818,008	2,381,383	2,503,864	2,637,086	3,224,991
	<u>23,393,917</u>	<u>37,961,413</u>	<u>134,594,474</u>	<u>171,857,875</u>	<u>247,816,989</u>	<u>338,505,715</u>
	8,831,650	8,199,645	9,259,784	10,040,237	11,200,785	12,370,761
	1,182,579	1,180,725	1,299,928	1,479,244	1,348,575	1,666,962
	-	165,814	108,390	178,865	218,031	252,448
	<u>10,014,229</u>	<u>9,546,184</u>	<u>10,668,102</u>	<u>11,698,347</u>	<u>12,767,391</u>	<u>14,290,171</u>
\$	<u>33,408,146</u>	<u>\$ 47,507,597</u>	<u>\$ 145,262,576</u>	<u>\$ 183,556,222</u>	<u>\$ 260,584,380</u>	<u>\$ 352,795,886</u>
\$	692,179	\$ 500,257	\$ 797,022	\$ 632,746	\$ 603,801	\$ 509,810
	721,657	556,997	887,422	704,513	672,285	567,633
	101,059	-	-	-	-	-
	-	11,915,091	98,995,577	146,088,938	221,493,714	306,457,836
	25,080	65,684	104,649	83,080	79,279	66,938
	544,893	544,893	868,138	689,203	657,675	555,298
	3,870	450	-	-	-	-
	-	-	-	-	-	-
	2,070,536	1,180,486	3,395,699	5,034,089	2,861,286	1,468,417
	11,596	466,874	3,562,566	3,070,891	3,462,565	5,532,214
	<u>4,170,870</u>	<u>15,230,732</u>	<u>108,611,073</u>	<u>156,303,460</u>	<u>229,830,605</u>	<u>315,158,146</u>
	10,364,129	10,263,373	10,944,643	11,214,672	11,977,175	13,181,315
	1,511,592	1,481,012	1,555,371	1,582,003	1,696,214	1,822,276
	-	141,230	98,014	161,851	205,447	209,417
	-	19,970	-	-	53,989	-
	-	52,824	3,261,807	4,648,631	2,052,038	1,959,294
	<u>11,875,721</u>	<u>11,958,409</u>	<u>15,859,835</u>	<u>17,607,157</u>	<u>15,984,863</u>	<u>17,172,302</u>
\$	<u>16,046,591</u>	<u>\$ 27,189,141</u>	<u>\$ 124,470,908</u>	<u>\$ 173,910,617</u>	<u>\$ 245,815,468</u>	<u>\$ 332,330,448</u>
\$	(19,223,047)	\$ (22,730,681)	\$ (25,983,401)	\$ (15,554,415)	\$ (17,986,384)	\$ (23,347,569)
	1,861,492	2,412,225	5,191,733	5,908,810	3,217,472	2,882,131
\$	<u>(17,361,555)</u>	<u>\$ (20,318,456)</u>	<u>\$ (20,791,668)</u>	<u>\$ (9,645,605)</u>	<u>\$ (14,768,912)</u>	<u>\$ (20,465,438)</u>

**City of Ennis, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Continued)**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2014	2015	2016	2017
<b>General Revenues</b>				
Governmental activities:				
Property taxes	\$ 9,909,883	\$ 9,893,516	\$ 10,005,334	\$ 10,957,007
Sales taxes	2,979,576	3,782,774	5,018,180	5,332,377
Franchise taxes	1,622,886	1,606,673	1,550,923	1,629,324
Hotel occupancy taxes	270,869	309,009	344,126	346,010
Alcoholic beverage taxes	34,385	38,206	43,442	42,885
Unrestricted grants and contributions	120,200	118,200	116,000	118,550
Investment earnings	330,224	273,786	283,228	131,188
Gain on sale of capital assets	-	-	-	16,400
Miscellaneous	237,699	163,812	107,252	211,749
Transfers	-	1,191,451	745,875	1,458,496
Total governmental activities	<u>15,505,722</u>	<u>17,377,427</u>	<u>18,214,360</u>	<u>20,243,986</u>
Business-type activities:				
Unrestricted grants and contributions	-	-	-	-
Investment on earnings	34,367	23,463	31,877	7,324
Gain on sale of capital assets	-	-	-	50,959
Miscellaneous	-	-	-	-
Transfers	-	(1,191,451)	(745,875)	(1,458,496)
Total business-type activities	<u>34,367</u>	<u>(1,167,988)</u>	<u>(713,998)</u>	<u>(1,400,213)</u>
Total primary government	<u>\$ 15,540,089</u>	<u>\$ 16,209,439</u>	<u>\$ 17,500,362</u>	<u>\$ 18,843,773</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 1,386,936	\$ 2,227,401	\$ 1,445,316	\$ 406,961
Business-type activities	(458,977)	(479,206)	725,051	418,634
Total change in net position	<u>\$ 927,959</u>	<u>\$ 1,748,195</u>	<u>\$ 2,170,367</u>	<u>\$ 825,595</u>

**Source:** Annual Comprehensive Financial Report

**Note 1:** The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior years have not been restated for the effects of this standard.

**Note 2:** In 2015, the City transferred the sanitation services from governmental activities to business-type activities.

**Note 3:** In 2019, the City transferred the airport services from governmental activities to business-type activities.

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 11,290,108	\$ 11,865,422	\$ 14,185,118	\$ 15,124,636	\$ 15,820,591	\$ 19,450,555	
5,404,232	5,324,306	6,280,797	7,585,464	10,771,085	10,360,250	
1,647,872	1,494,793	1,640,222	1,694,133	1,933,079	2,037,382	
389,228	391,787	231,856	516,155	490,768	533,543	
46,153	52,512	49,051	77,564	76,540	93,764	
121,200	-	-	-	-	-	
146,149	391,289	257,103	153,933	93,741	345,584	
112,907	14,800	-	-	-	236,193	
507,296	403,138	11,767	605,402	885,177	434,456	
(97,570)	203,424	2,516,559	170,161	2,569,984	991,075	
<u>19,567,575</u>	<u>20,141,471</u>	<u>25,172,473</u>	<u>25,927,448</u>	<u>32,640,965</u>	<u>34,482,802</u>	
-	-	-	-	2,772,566	2,276,597	
30,040	169,245	79,097	38,460	91,511	169,958	
(47,914)	-	5,117	4,334	113,412	-	
-	-	-	-	-	-	
97,570	(203,424)	(2,516,559)	(170,161)	(2,569,984)	(991,075)	
<u>79,696</u>	<u>(34,179)</u>	<u>(2,432,345)</u>	<u>(127,367)</u>	<u>407,505</u>	<u>1,455,480</u>	
<u>\$ 19,647,271</u>	<u>\$ 20,107,292</u>	<u>\$ 22,740,128</u>	<u>\$ 25,800,081</u>	<u>\$ 33,048,470</u>	<u>\$ 35,938,282</u>	
\$ 344,528	\$ (2,589,210)	\$ (810,928)	\$ 10,373,033	\$ 14,654,581	\$ 11,135,233	
1,941,188	2,378,046	2,759,388	5,781,443	3,624,977	4,337,611	
<u>\$ 2,285,716</u>	<u>\$ (211,164)</u>	<u>\$ 1,948,460</u>	<u>\$ 16,154,476</u>	<u>\$ 18,279,558</u>	<u>\$ 15,472,844</u>	

**City of Ennis, Texas**  
**Fund Balance – Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2014	2015	2016	2017
General fund				
Nonspendable	\$ 261,936	\$ 311,358	\$ 69,308	\$ 84,625
Restricted	35,950	3,096	3,096	4,650
Assigned	-	-	203,464	-
Unassigned	8,079,732	7,801,393	7,712,536	5,779,072
Total general fund	<u>\$ 8,377,618</u>	<u>\$ 8,115,847</u>	<u>\$ 7,988,404</u>	<u>\$ 5,868,347</u>
All other governmental funds				
Nonspendable	\$ 28,966	\$ 28,966	\$ 32,554	\$ 36,961
Restricted	6,307,671	3,640,617	13,255,506	18,812,318
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 6,336,637</u>	<u>\$ 3,669,583</u>	<u>\$ 13,288,060</u>	<u>\$ 18,849,279</u>

**Source:** Annual Comprehensive Financial Report



Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 84,454	\$ 53,213	\$ 33,482	\$ 21,414	\$ 48,140	\$ 61,177	
4,652	4,708	-	-	-	-	
-	-	-	-	-	-	
6,769,432	8,017,606	8,833,812	11,503,614	14,878,002	10,377,383	
<u>\$ 6,858,538</u>	<u>\$ 8,075,527</u>	<u>\$ 8,867,294</u>	<u>\$ 11,525,028</u>	<u>\$ 14,926,142</u>	<u>\$ 10,438,560</u>	
\$ 36,961	\$ 28,966	\$ 28,966	\$ 6,676,150	\$ 4,251,392	\$ 5,238,191	
11,427,256	23,347,316	30,209,343	22,768,960	41,097,486	41,395,894	
-	(1,706,059)	(500,174)	(2,787,000)	(15,279)	(5,562)	
<u>\$ 11,464,217</u>	<u>\$ 21,670,223</u>	<u>\$ 29,738,135</u>	<u>\$ 26,658,110</u>	<u>\$ 45,333,599</u>	<u>\$ 46,628,523</u>	

**City of Ennis, Texas**  
**Changes in Fund Balance – Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues</b>				
Property taxes	\$ 9,903,070	\$ 9,899,156	\$ 10,014,934	\$ 10,953,855
Sales taxes	2,979,576	3,782,774	5,018,180	5,332,377
Franchise taxes	1,622,886	1,606,673	1,550,923	1,629,324
Hotel occupancy taxes	270,869	309,009	344,126	346,010
Alcoholic beverage taxes	34,385	38,206	43,442	42,885
Licenses and permits	144,941	200,916	292,635	367,628
Fines and forfeitures	605,176	470,713	625,830	569,395
Charges for current services	1,163,283	233,969	243,145	198,384
Investment earnings	330,224	273,786	283,228	131,188
Miscellaneous	303,910	227,546	76,641	211,749
Intergovernmental	124,010	486,000	722,471	1,397,186
Contributions and donations	8,203	22,255	40,532	19,304
<b>Total revenues</b>	<b>17,490,533</b>	<b>17,551,003</b>	<b>19,256,087</b>	<b>21,199,285</b>
<b>Expenditures</b>				
Current:				
General government	1,124,725	2,000,927	2,934,110	4,975,332
Public Safety	7,850,808	8,304,576	8,875,792	9,698,196
Streets	1,246,624	1,092,572	1,474,034	2,122,396
Health	370,085	375,606	317,168	389,665
Equipment services	138,956	254,287	322,871	303,858
Cultural and recreational	1,060,585	1,137,874	1,105,233	1,472,159
Airport	165,174	54,601	14,570	-
Public works	89,434	179,385	297,208	306,571
Sanitation services	958,107	-	-	-
Capital outlay	1,369,145	3,798,531	362,581	847,885
Debt service:				
Principal retirement	2,956,333	3,178,482	3,041,326	3,202,663
Interest and fiscal charges	946,141	837,011	804,256	818,200
Bond issuance costs	141,483	-	146,343	88,114
<b>Total expenditures</b>	<b>18,417,600</b>	<b>21,213,852</b>	<b>19,695,492</b>	<b>24,225,039</b>
Excess (deficiency) of revenues over (under) expenditures	(927,067)	(3,662,849)	(439,405)	(3,025,754)
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,531,473	984,866	763,408	1,548,526
Transfers out	(3,531,473)	(250,842)	(17,533)	(246,536)
Refunding bonds issued	10,045,000	-	3,325,000	2,080,000
Certificates of obligation issued	6,000,000	-	8,760,000	5,225,000
Premium on bonds issued	276,162	-	127,405	185,596
Payment to refunded bond escrow agent	(10,194,056)	-	(3,299,300)	(2,085,009)
Leases (as lessee)	95,953	-	-	-
Capital contribution	-	-	-	-
Sale of capital assets	-	-	-	30,798
<b>Total other financing sources</b>	<b>6,223,059</b>	<b>734,024</b>	<b>9,658,980</b>	<b>6,738,375</b>
Net change in fund balances	\$ 5,295,992	\$ (2,928,825)	\$ 9,219,575	\$ 3,712,621
Debt service as a percentage of noncapital expenditures	22.89%	23.06%	19.89%	17.20%

Fiscal Year						
	2018	2019	2020	2021	2022	2023
\$	11,337,170	\$ 11,838,643	\$ 14,184,459	\$ 15,117,110	\$ 15,799,299	\$ 19,313,447
	5,404,232	5,324,306	6,280,797	7,585,464	10,771,085	10,360,250
	1,647,872	1,494,793	1,640,222	1,694,133	1,933,079	2,037,382
	389,228	391,787	231,856	516,155	490,768	533,543
	46,153	52,512	49,051	77,564	76,540	93,764
	692,179	457,282	700,874	1,328,324	1,339,129	1,453,090
	592,443	426,638	332,410	250,972	245,954	261,276
	259,223	12,154,558	99,211,261	146,308,493	221,777,048	306,457,836
	146,149	391,289	257,103	153,933	93,741	345,584
	405,276	415,548	531,049	707,367	888,677	434,456
	2,213,233	1,093,469	3,663,633	5,034,089	2,861,285	1,468,417
	24,092	227,691	53,589	9,163	360,837	120,884
	<u>23,157,250</u>	<u>34,268,516</u>	<u>127,136,304</u>	<u>178,782,767</u>	<u>256,637,442</u>	<u>342,879,929</u>
	3,758,434	3,370,826	5,467,394	4,671,333	5,210,744	7,208,024
	11,268,840	10,977,766	11,899,996	11,902,107	12,756,836	15,356,891
	2,631,639	2,296,706	1,457,560	1,722,077	1,558,432	4,616,035
	519,089	14,247,239	103,361,741	145,087,384	218,194,521	298,854,798
	335,479	900,753	322,337	299,006	333,397	271,091
	1,454,924	1,541,631	1,679,559	1,526,782	1,795,397	2,038,779
	-	-	-	-	-	-
	339,063	324,467	510,564	545,770	624,213	666,705
	-	-	-	-	-	-
	6,733,013	13,889,614	14,631,755	6,848,019	8,645,719	9,525,846
	3,314,075	3,257,300	3,980,000	4,070,000	4,355,000	5,016,996
	841,789	1,129,696	2,201,711	2,747,984	2,513,451	3,535,822
	57,753	499,015	208,671	-	272,748	-
	<u>31,254,098</u>	<u>52,435,013</u>	<u>145,721,288</u>	<u>179,420,462</u>	<u>256,260,458</u>	<u>347,090,987</u>
	(8,096,848)	(18,166,497)	(18,584,984)	(637,695)	376,984	(4,211,058)
	2,057,056	16,769,899	8,593,209	5,589,700	4,959,115	4,199,122
	(2,154,626)	(15,699,434)	(6,076,650)	(5,419,539)	(2,140,331)	(3,485,047)
	-	-	-	-	-	-
	1,495,000	26,900,000	16,920,000	-	17,439,000	-
	63,325	1,604,227	3,278,833	-	1,056,362	-
	-	-	-	-	-	-
	-	-	-	-	254,046	295,123
	-	-	-	-	40,000	-
	151,593	14,800	48,318	-	91,427	9,202
	<u>1,612,348</u>	<u>29,589,492</u>	<u>22,763,710</u>	<u>170,161</u>	<u>21,699,619</u>	<u>1,018,400</u>
\$	<u>(6,484,500)</u>	<u>\$ 11,422,995</u>	<u>\$ 4,178,726</u>	<u>\$ (467,534)</u>	<u>\$ 22,076,603</u>	<u>\$ (3,192,658)</u>
	16.95%	11.38%	4.72%	3.95%	2.77%	2.53%

**City of Ennis, Texas**  
**Appraised Value of Property**  
**Last Ten Fiscal Years**  
*(in thousands of dollars)*

<b>Fiscal Year Ended September 30</b>	<b>Estimated Actual Value</b>		<b>Less: Tax-Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Rate</b>
	<b>Real Property</b>	<b>Personal Property</b>			
2014	1,143,218,632	563,332,312	294,789,804	1,411,761,140	0.69500
2015	1,147,947,475	544,574,734	282,434,339	1,410,087,870	0.69500
2016	1,175,090,290	598,711,617	288,761,727	1,485,040,180	0.66917
2017	1,197,278,670	636,795,500	279,113,745	1,554,960,425	0.69900
2018	1,273,620,820	603,809,367	296,237,653	1,581,192,534	0.71000
2019	1,355,650,141	617,022,962	317,159,911	1,655,513,192	0.71000
2020	1,620,978,908	682,277,579	350,565,657	1,952,690,830	0.72447
2021	1,866,473,853	643,308,452	450,110,193	2,059,672,112	0.72447
2022	2,010,414,674	625,763,056	454,789,026	2,181,388,704	0.72447
2023	2,653,310,300	739,057,842	639,075,888	2,753,292,254	0.69447

Source: City Administration Office

**City of Ennis, Texas**  
**Direct and Overlapping Property Tax Rates – All Governments**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Fiscal Year	City of Ennis			Overlapping Rates		Total Direct and Overlapping Rates
	Operating / General Rate	General Obligation Debt Service	Total Direct	Ennis Independent School District	Ellis County	
2014	0.44871	0.24629	0.69500	1.54000	0.41360	2.64860
2015	0.42918	0.26582	0.69500	1.54000	0.41360	2.64860
2016	0.43989	0.22928	0.66917	1.54000	0.41360	2.62277
2017	0.45900	0.24000	0.69900	1.54000	0.41360	2.65260
2018	0.47000	0.24000	0.71000	1.53580	0.35971	2.60551
2019	0.47000	0.24000	0.71000	1.54000	0.33898	2.58898
2020	0.44987	0.27461	0.72447	1.48835	0.32956	2.54238
2021	0.44547	0.27900	0.72447	1.46990	0.35028	2.54465
2022	0.44547	0.27900	0.72447	1.46990	0.32019	2.51456
2023	0.42547	0.26900	0.69447	1.40290	0.27300	2.37037

**Source:** City Administration Office

<sup>1</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Ennis

**City of Ennis, Texas**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Tax Payer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
CVS Texas Distribution LP	\$ 82,682,313	1	3.00%	\$ 61,777,180	2	4.38%
Ennis Power Company, LLC	69,566,400	2	2.53%	88,744,235	1	6.29%
Freshpet Inc	67,141,598	3	2.44%	-	-	-
Elk Corporation of Texas	59,114,426	4	2.15%	50,164,790	5	3.55%
Sterilite Corporation of Texas	57,716,199	5	2.10%	53,977,910	4	3.82%
Valent USA Corporation	55,333,656	6	2.01%	-	-	-
Ennis-Flint, Inc	46,127,846	7	1.68%	-	-	-
Legget Partners LP	38,914,076	8	1.41%	-	-	-
Spyglass Apartments of Ennis LP	33,329,003	9	1.21%	-	-	-
Atlas Sound LLC	30,026,702	10	1.09%	-	-	-
Ergon Asphalt & Emulsions	-	-	-	14,793,890	9	1.05%
JTEKT Automotive Texas LP	-	-	-	54,021,749	3	3.83%
Sterilite Industrial Realty LLC	-	-	-	20,735,920	6	1.47%
Leggett Partners LP #0003	-	-	-	19,855,650	7	1.41%
Walmart Rea Estate	-	-	-	17,274,550	8	1.22%
Dow Agrosiences LLC	-	-	-	14,574,300	10	1.03%
<b>Total</b>	<b>\$ 539,952,219</b>		<b>19.61%</b>	<b>\$ 395,920,174</b>		<b>28.04%</b>
<b>Total valuation of City net of exempt property</b>	<b>\$ 2,753,292,254</b>			<b>\$ 1,411,761,140</b>		

**City of Ennis, Texas**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2014	\$ 9,827,953	\$ 9,705,917	98.76%	\$ 117,743	\$ 9,823,660	99.96%
2015	9,809,002	9,693,244	98.82%	109,355	9,802,599	99.93%
2016	9,931,494	9,817,879	98.86%	101,624	9,919,503	99.88%
2017	10,881,653	10,779,321	99.06%	91,420	10,870,741	99.90%
2018	11,215,175	11,118,724	99.14%	84,810	11,203,535	99.90%
2019	11,754,144	11,637,327	99.01%	95,796	11,733,124	99.82%
2020	14,146,718	13,927,146	98.45%	84,827	14,011,973	99.05%
2021	14,956,587	14,744,645	98.58%	53,585	14,798,230	98.94%
2022	15,731,881	15,565,895	98.94%	80,598	15,646,493	99.46%
2023	19,518,413	18,993,343	97.31%	-	18,993,343	97.31%

Source: City Administration Office

# City of Ennis, Texas

## Legal Debt Margin Information

### Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tax rate limit	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000
Current tax rate	0.6950	0.6950	0.6692	0.6990	0.7100	0.7100	0.7245	0.7245	0.7245	0.6945
Available tax rate	\$ 1.8050	\$ 1.8050	\$ 1.8308	\$ 1.8010	\$ 1.7900	\$ 1.7900	\$ 1.7755	\$ 1.7755	\$ 1.7755	\$ 1.8055

**Note 1:** The City Charter of the City of Ennis, Texas, does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to \$2.50 per \$100 assessed valuation. No direct bond debt limitation is imposed on the City under current state law or the City's Charter.



# City of Ennis, Texas

## Ratios of Outstanding Debt by Type

### Last Ten Fiscal Years

*(principal only; dollars in thousands, except per capita)*

Fiscal Year	Government Activities			Business-Type Activities			Total Outstanding Debt	Percentage of Personal Income <sup>1</sup>	Debt Per Capital <sup>1</sup>
	General Obligation Bonds	Certificates of Obligation	Notes Payable	Development Agreement Payable	General Obligation Bonds	Certificates of Obligation			
2014	\$ 17,271,780	\$ 9,930,000	\$ 159,549	\$ 17,936,076	\$ 11,015,017	\$ -	\$ 57,147,937	14.73%	\$ 3,036
2015	15,429,447	8,665,000	136,755	17,391,183	9,498,448	46,999	51,814,220	13.07%	2,605
2016	15,610,885	14,705,000	-	16,846,290	8,094,837	9,482	60,446,402	13.46%	2,974
2017	13,749,514	18,825,000	-	16,301,397	6,604,737	-	62,837,239	13.97%	3,092
2018	11,678,166	19,170,000	-	15,756,504	5,083,677	-	64,390,864	13.07%	3,163
2019	11,259,922	44,810,000	-	15,211,611	3,494,606	-	87,076,356	17.38%	4,264
2020	12,428,437	59,720,000	-	14,666,718	2,774,541	-	106,064,696	21.00%	5,108
2021	10,505,432	57,275,000	-	14,171,735	1,815,271	-	99,382,438	16.97%	4,746
2022	5,994,991	75,631,667	-	13,576,752	-	136,660	126,357,065	21.58%	5,957
2023	2,795,000	73,508,401	-	13,031,769	-	124,189	119,251,073	16.56%	5,210

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> Personal Income data and population data can be found in the Schedule of Demographic and Economic Statistics on page

**City of Ennis, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2020**  
*(Dollars in Thousands)*

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Amounts Applicable to Primary Government</b>
Debt repaid with property taxes: Ellis County	\$ 26,380,000	10.06%	\$ 2,653,828
Debt repaid with property taxes: School District	\$ 85,782,345	74.38%	<u>63,809,003</u>
Subtotal, overlapping debt			66,462,831
City of Ennis, Texas direct debt			<u>89,870,089</u>
Total direct and overlapping debt			<u><u>\$ 156,332,920</u></u>

**Source:** Texas Municipal Reports

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This Schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxes of the City of Ennis, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxes should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying each overlapping government's debt.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county and school district's taxable assessed value that is within the City's boundaries and dividing it by the county and school district's total taxable assessed value.

**City of Ennis, Texas**  
**Ratios of Net General Bonded Debt to Assessed Value and**  
**Net Value Bonded Debt per Capita**  
**Last Ten Fiscal Years**  
*(Principal Only; Dollars in Thousands, Except per Capita)*

Fiscal Year Ended September 30,	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2014	\$ 17,271,780	\$ 9,930,000	\$ 417,928	\$ 26,783,852	2.68%	\$ 1,423
2015	15,429,447	8,665,000	636,046	23,458,401	2.34%	1,180
2016	15,610,885	14,705,000	834,307	29,481,578	2.53%	1,451
2017	13,749,514	18,825,000	966,622	31,607,892	2.46%	1,555
2018	11,678,166	19,170,000	694,244	30,153,922	2.23%	1,481
2019	11,259,922	44,810,000	723,532	55,346,390	3.55%	2,710
2020	12,428,437	59,720,000	803,308	71,345,129	4.64%	3,436
2021	10,505,432	57,275,000	36,182	67,744,250	4.14%	3,235
2022	5,994,991	75,631,667	105,597	81,521,061	3.74%	3,844
2023	2,795,000	73,508,401	161,217	76,142,184	2.77%	3,326

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property in page For property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics on page

**City of Ennis, Texas**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Waterworks and Sewer System Revenue Bonds					
	Total Revenues <sup>1</sup>	Less Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 7,718,889	\$ 5,911,133	\$ 1,807,756	\$ 1,767,052	\$ 511,392	0.79
2015	8,177,569	5,245,884	2,931,685	1,504,573	399,667	1.54
2016	8,649,043	5,649,392	2,999,651	1,536,855	276,869	1.65
2017	9,371,511	5,528,336	3,843,175	1,545,654	301,801	2.08
2018	10,394,169	6,411,152	3,983,017	1,695,969	300,614	1.99
2019	10,432,409	5,980,676	4,451,733	1,885,000	371,705	1.97
2020	10,672,175	6,632,093	4,040,082	1,920,000	328,885	1.80
2021	11,263,892	6,305,142	4,958,750	1,750,000	489,530	2.21
2022	14,892,365	7,089,328	7,803,037	1,375,000	1,009,149	3.27
2023	15,601,315	7,792,894	7,808,421	1,335,000	988,467	3.36

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> Includes operating and nonoperating revenues

<sup>2</sup> Includes operating expenses minus depreciation.

# City of Ennis, Texas

## Demographic and Economic Statistics

### Last Ten Calendar Years

Fiscal Year	Estimated Population <sup>1</sup>	Personal Income	Per Capita Personal Income <sup>2</sup>	Median Age <sup>2</sup>	Public School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
2014	18,823	\$ 379,603,441	\$ 20,167	34.5	5,675	5.6 %
2015	19,887	387,895,935	19,505	34.5	5,784	3.6
2016	20,324	396,419,620	19,505	34.4	5,829	3.6
2017	20,324	449,099,428	22,097	34.5	5,773	3.0
2018	20,357	449,828,629	22,097	33.1	5,797	3.3
2019	20,422	492,639,906	24,123	33.8	5,818	3.1
2020	20,764	500,893,349	24,123	33.7	5,939	7.3
2021	20,940	505,135,620	24,123	33.8	5,694	5.8
2022	21,210	585,502,050	27,605	34.0	6,012	2.3
2023	22,890	719,994,545	29,305	33.9	6,013	3.1

**Sources:**

<sup>1</sup> North Central Texas Council of Governments, 2010 Census, 2013 Census Bureau

<sup>2</sup> U.S. Census Bureau

<sup>3</sup> Ennis Independent School District

<sup>4</sup> DOL, Department of Commerce

\* Median age only available when released in census years.

**City of Ennis, Texas**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Ennis Independent School District	778	1	6.44%	750	1	9.18%
Sterilite Corporation of Texas	650	2	5.38%	650	2	7.95%
Leggett Partners LP	350	3	2.90%	189	8	2.31%
GAF	290	4	2.40%	220	7	0.00%
Walmart	250	5	2.07%	250	4	3.06%
CVS Texas Distribution LP	268	6	2.22%	222	6	2.72%
Freshpet Inc.	300	7	2.48%	-		0.00%
Schirm USA, Inc.	212	8	1.75%	-		0.00%
Ennis Extruded Products	150	9	1.24%	125	10	0.00%
Advanced Drainage Systems Inc.	125	10	1.03%	-		0.00%
National Envelope Corporation	-		0.00%	325	3	3.98%
JTEKT of Texas, Inc.	-		0.00%	233	5	2.85%
Ennis Paint, Inc.	80		0.00%	184	9	2.25%
<b>Total</b>	<b>3,453</b>		<b>38.86%</b>	<b>3,148</b>		<b>38.51%</b>

Source: City Administration Office

**City of Ennis, Texas**  
**Full-time Equivalents City Government Employees**  
**By Function/Program**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Administration	12.5	12.2	12.2	17.2	16.7	16.9	14.4	16.3	18.0	29.5
Tourism	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Public Safety										
Police	43.5	43.5	44.2	46.2	47.3	49.1	50.1	44.9	51.0	58.0
Judicial	2.0	2.0	2.0	4.5	3.8	3.8	3.8	3.8	3.0	4.0
Fire	30.0	30.0	30.0	30.0	41.5	43.5	41.1	42.8	41.0	43.0
Inspection	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.1	6.5	8.0
Streets	13.0	13.0	11.0	8.0	10.3	10.0	8.4	8.2	9.0	11.0
Health	3.0	3.0	3.0	4.0	5.1	5.1	5.1	4.8	5.0	6.0
Equipment Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Cultural and Recreational										
Parks and Recreation	8.0	8.0	8.0	6.4	6.8	7.1	8.5	9.4	9.0	11.0
Library	6.0	5.6	5.6	5.6	5.6	5.6	5.4	5.5	5.5	5.5
Museum	1.0	1.0	1.0	1.1	0.7	0.8	0.7	0.7	1.0	1.0
Public Works	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.5	2.0	2.0
Sanitation Services	15.0	15.0	15.0	15.0	15.3	14.7	12.1	11.0	11.0	14.0
Water and Wastewater										
Administration	5.0	5.0	5.0	5.0	4.9	5.1	4.0	4.2	4.0	6.0
Water	18.0	18.0	18.0	19.0	17.6	16.7	16.1	15.3	15.0	16.0
Wastewater	15.0	15.0	15.0	15.0	16.3	16.8	17.8	16.8	19.0	16.0
Total	<u>184.5</u>	<u>183.3</u>	<u>182.0</u>	<u>189.0</u>	<u>204.0</u>	<u>207.3</u>	<u>199.4</u>	<u>196.3</u>	<u>205.0</u>	<u>237.0</u>

Source: City Administration Office

**City of Ennis, Texas**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function	Fiscal Year			
	2014	2015	2016	2017
Police				
UCR – Reported Crimes	860	868	770	687
Number of Violations (Citations)	9,083	7,539	6,670	5,192
Judicial				
Municipal Court Fines	\$ 500,672	\$ 451,022	\$ 566,512	\$ 496,376
Fire				
Fire Calls	14	994	114	108
First Response (Ambulance Assist.)	-	1,587	1,842	1,679
Fire Loss	\$ 20,500	\$ 39,500	\$ 280,000	\$ 590,735
Inspection				
Permits Issued (Units)	35	36	52	79
Permit Value	\$ 9,260,747	\$ 9,582,310	\$ 14,940,779	\$ 42,960,978
Streets				
Miles of Streets Maintained	103.67	103.67	103.67	103.67
Health				
Food Establishment Inspections	377	213	235	290
Animals Impounded	979	783	713	723
Equipment Services				
Equipment Maintained	276	582	565	278
Cultural and Recreational				
Parks				
Parks Maintained	12	12	12	17
Library				
Patrons	80,160	78,079	71,360	60,566
Circulation	73,482	74,621	73,612	65,767
Museum				
Paid Attendance	826	638	595	481
Sanitation Service				
Refuse Customers	5,156	5,208	5,271	5,165
Estimated Refuse Collected (in tons)	8,398	8,356	8,418	8,249
Water				
Number of Water Customers	5,754	5,868	5,944	5,919
Estimated Gallons Billed (in thousands)	943,507	881,881	1,008,824	889,840
Sewer				
Number of Wastewater Customers	5,488	5,548	5,613	5,500

**Source:** Various City Departments



Fiscal Year					
2018	2019	2020	2021	2022	2023
775	701	736	893	984	767
3,570	3,166	2,929	1,236	1,771	1,397
\$ 527,036	\$ 378,279	\$ 275,906	\$ 250,972	\$ 241,603	\$ 236,174
981	1,256	1,197	784	1,284	1,380
1,182	1,565	1,614	2,054	2,053	2,118
\$ 196,000	\$ 72,200	\$ 350,000	\$ 520,300	\$ 195,000	\$ 85,000
889	743	714	903	1,540	1,034
\$ 106,407,201	\$ 79,312,350	\$ 189,043,510	\$ 105,898,603	\$ 1,293,823,384	\$ 289,924,499
119.05	120.54	120.93	124.01	124.01	125.69
137	144	159	143	153	158
524	806	272	253	350	328
170	171	176	190	195	240
19	19	19	19	19	22
61,906	60,546	36,049	38,020	42,432	35,302
68,106	65,623	54,925	57,939	43,209	41,275
635	785	294	538	554	590
5,330	5,384	5,762	6,250	6,486	7,076
8,754	8,985	9,735	10,148	10,771	11,015
6,108	6,245	6,564	7,044	7,134	7,307
951,188	914,218	947,640	972,904	1,048,653	1,071,698
5,547	5,641	6,045	6,228	6,432	6,709

**City of Ennis, Texas**  
**Capital Asset Statistics**  
**By Function/Program**  
**Last Ten Fiscal Years**

Function	Fiscal Year			
	2014	2015	2016	2017
Police				
Number of Stations	1	1	1	1
Fire				
Number of Stations	2	2	2	2
Fire Hydrants	1,048	1,048	1,048	1,050
Streets				
Miles of Streets	103.67	103.67	103.67	103.67
Equipment Services				
Equipment Maintained	276	582	565	278
Cultural and Recreational				
Parks Maintained	12	12	12	17
Library				
Number of Libraries	1	1	1	1
Museum				
Number of Museums	1	1	1	1
Water				
Water Plant Capacity (million gallons per day)	12.00	12.00	12.00	12.00
TCEQ Worst-Case Capacity (million gallons per day)	9.10	9.10	9.10	9.10
Water Storage Capacity (million gallons)	3.50	3.50	3.50	3.50
Sewer				
Sewer Plant Capacity (million gallons per day)	3.10	3.10	3.10	3.10

**Sources:** Various city departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
3	3	3	3	3	3
1,055	1,064	1,064	1,184	1,184	1,198
119.05	120.54	120.93	124.01	124.01	125.69
170	171	176	190	195	240
19	19	19	19	19	22
1	1	1	1	1	1
1	1	1	1	1	1
12.00	12.00	12.00	12.00	12.00	12.00
9.10	9.10	9.10	9.10	9.10	9.10
3.50	3.50	3.50	3.50	3.50	3.50
3.10	3.10	3.10	3.10	3.10	3.10

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