HTSContinuingDisclosureServices
A Division of Hilltop Securities.
(See "CONTINUING DISCLOSURE OF INFORMATION" herein)

OFFICIAL STATEMENT

Dated October 21, 2024

Ratings:
Underlying Rating: S&P: "BBB"
BAM Insured Rating: S&P: "AA"
(See "BOND INSURANCE" and "OTHER INFORMATION Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" herein.

THE CERTIFICATES **ARE** DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

CITY OF COLLINSVILLE

$3,900,000
CITY OF COLLINSVILLE, TEXAS
(Grayson County)
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024

Dated Date: October 15, 2024
Interest Accrues from Delivery Date

Due: August 15, as shown on Page 2

PAYMENT TERMS . . . Interest on the $3,900,000 City of Collinsville, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024 (the "Certificates") will accrue from the date of initial delivery to the purchaser hereof (the "Delivery Date"), will be payable February 15 and August 15 of each year until maturity or prior redemption, commencing August 15, 2025, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Certificates will be made to the owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE CERTIFICATES - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "THE CERTIFICATES - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State"), particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, Subchapter B of Chapter 1502, Texas Government Code, as amended, and an ordinance adopted by the City Council (the "Certificate Ordinance" or "Ordinance") and constitute direct obligations of the City of Collinsville, Texas (the "City"), payable from an annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, and from a pledge of the net revenues of the City's Water and Sewer System as provided in the Certificate Ordinance (see "THE CERTIFICATES - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purpose of paying (i) contractual obligations to be incurred for constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water system properties and facilities, and the acquisition of land and rights-of-way therefor (ii) to fund capitalized interest on the Certificates, and (iii) professional services rendered in connection therewith (see "PLAN OF FINANCING".)

BOND INSURANCE . . . The scheduled payment of principal of and interest on the Certificates when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Certificates by BUILD AMERICA MUTUAL COMPANY ("BAM"). (See "BOND INSURANCE" herein.)

BAM
BUILD AMERICA MUTUAL

MATURITY SCHEDULE - Certificates

See page 2

LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the Underwriter subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas (see Appendix B, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P. Dallas Texas, as Counsel for the Underwriter.

DELIVERY . . . It is expected that the Certificates will be available for delivery through the facilities of DTC on or about November 20, 2024.

SAMCO CAPITAL

MATURITY SCHEDULE **CUSIP Prefix [1]: 195126**

Principal Amount	Maturity August 15	Interest Rate	Yield/ Price	CUSIP Suffix [1]
$ 70,000	2026	5.000%	3.100%	AE7
70,000	2027	5.000%	3.000%	AF4
75,000	2028	5.000%	3.050%	AG2
80,000	2029	5.000%	3.100%	AH0
85,000	2030	5.000%	3.200%	AJ6
90,000	2031	5.000%	3.300%	AK3
90,000	2032	5.000%	3.400%	AL1
95,000	2033	5.000%	3.500%	AM9

$205,000 4.000% TERM CERTIFICATES DUE AUGUST 15, 2035, PRICED TO YIELD 3.700% [2] - CUSIP #195126AP2.
$225,000 4.000% TERM CERTIFICATES DUE AUGUST 15, 2037, PRICED TO YIELD 3.870% [2]- CUSIP #195126AR8.
$245,000 4.000% TERM CERTIFICATES DUE AUGUST 15, 2039, PRICED TO YIELD 4.000%- CUSIP #195126AT4.
$265,000 4.000% TERM CERTIFICATES DUE AUGUST 15, 2041, PRICED TO YIELD 4.150%- CUSIP #195126AV9.
$590,000 4.000% TERM CERTIFICATES DUE AUGUST 15, 2045, PRICED TO YIELD 4.250%- CUSIP #195126AZ0.
$685,000 4.000% TERM CERTIFICATES DUE AUGUST 15, 2049, PRICED TO YIELD 4.300%- CUSIP #195126BD8.
$1,030,000 4.125% TERM CERTIFICATES DUE AUGUST 15, 2054, PRICED TO YIELD 4.350%- CUSIP #195126BJ5.

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(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the City, the Financial Advisor, or the Underwriter or their agents or counsel shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.
(2) Yield to first call date of August 15, 2034.

REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates maturing on and after August 15, 2035, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 15, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE CERTIFICATES – Optional Redemption"). In addition, the Certificates maturing August 15, 2035, 2037, 2039, 2041, 2045, 2049 and 2054 (the “Term Certificates”) are subject to mandatory sinking fund redemption in part prior to maturity at the price of par plus accrued interest to the redemption date (see “THE CERTIFCATES – Mandatory Sinking Fund Redemption”).

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Certificates or the advisability of investing in the Certificates. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX – C Specimen Municipal Bond Insurance Policy".

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

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

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

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

NEITHER THE CITY, ITS FINANCIAL ADVISOR, NOR THE UNDERWRITER OF THE CERTIFICATES MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY ONLY SYSTEM.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES 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 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. SEE "OTHER INFORMATION – FORWARD-LOOKING STATEMENTS DISCLAIMER" HEREIN.

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 JURISDICTION IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

TABLE OF CONTENTS

The cover pages hereof, this page, the appendices included herein and any addenda, supplement, or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary 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 summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY .... The City of Collinsville, Texas (the "City") is a political subdivision and municipal corporation of the State, located in Grayson County, Texas. The City covers approximately 0.97 square miles (see "INTRODUCTION - Description of City").

THE CERTIFICATES .... The $3,900,000 Combination Tax and Revenue Certificates of Obligation, Series 2024 are to mature on August 15 in the years 2026 through 2033, 2035, 2037, 2041, 2045, 2049 and 2054 (see "THE CERTIFICATES - Description of the Certificates").

PAYMENT OF INTEREST .... Interest on the Certificates accrues from the Delivery Date, and is payable August 15, 2025, and each February 15 and August 15 thereafter until maturity or prior redemption (see "THE CERTIFICATES - Description of the Certificates" and "THE CERTIFICATES - Optional Redemption").

AUTHORITY FOR ISSUANCE .... The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State"), particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, Subchapter B of Chapter 1502, Texas Government Code, as amended, and an ordinance adopted by the City Council (the "Certificate Ordinance" or “Ordinance”) (see "THE CERTIFICATES - Authority for Issuance").

SECURITY FOR THE CERTIFICATES .... The Certificates constitute direct obligations of the City, payable from an annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, and from a pledge of the net revenues of the City's Water and Sewer System as provided in the Certificate Ordinance (see "THE CERTIFICATES - Security and Source of Payment").

REDEMPTION .... The City reserves the right, at its option, to redeem the Certificates having stated maturities on and after August 15, 2035, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 15, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE CERTIFICATES – Optional Redemption"). In addition, the Certificates maturing on August 15, 2035, 2037, 2039, 2041, 2045, 2049 and 2054 (the “Term Certificates”) are subject to mandatory sinking fund redemption in part prior to maturity at the price of par plus accrued interest to the redemption date (see “THE CERTIFICATES – Mandatory Sinking Fund Redemption”).

QUALIFIED TAX-EXEMPT CERTIFICATES .... The City has designated the Certificates as “Qualified Tax-Exempt Obligations” for financial institutions (See “TAX MATTERS – Qualified Tax-Exempt Certificates for Financial Institutions”).

TAX EXEMPTION .... In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" herein.

USE OF PROCEEDS .... Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water system properties and facilities, and the acquisition of land and rights-of-way therefor (ii) to fund capitalized interest on the Certificates, and (iii) professional services rendered in connection therewith (see "PLAN OF FINANCING").

RATINGS S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned its municipal bond rating of “AA” (stable outlook) to the Certificates with the understanding that upon delivery of the Certificates, a municipal bond insurance policy insuring the timely payment of principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company ("BAM"). S&P has also assigned an underlying credit rating of “BBB” to the Certificates. An explanation of such ratings may be obtained from S&P. See “BOND INSURANCE – Bond Insurance Risk Factors.”

BOOK-ENTRY-ONLY SYSTEM...... The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Certificates will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates (see "THE CERTIFICATES - Book-Entry-Only System").

PAYMENT RECORD .... The City has never defaulted in payment of its general obligation tax debt.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population [1]	Taxable Assessed Valuation [2]	Per Capita Taxable Assessed Valuation	Tax Supported Debt at End of Year [3]	Per Capita Tax Supported Debt	Ratio Tax Supported Debt to Taxable Assessed Valuation	% of Total Tax Collections
2021	1,943	$ 105,410,162	$ 54,251	217,264	$ 111.82	0.21%	100.66%
2022	2,021	117,147,352	57,965	236,810	117.17	0.20%	104.14%
2023	2,023	149,658,719	73,979	295,866	146.25	0.20%	100.53%
2024	2,032	178,703,271	87,945	480,178	236.31	0.27%	N/A [4]
2025	2,032	201,638,562	99,232	372,317	183.23	In Process of Collection	

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(1) Source: City's Officials.
(2) Source: Grayson Central Appraisal District.
(3) Net of Self-Supporting Debt.
(4) Not yet available.

For additional information regarding the City, please contact:

Dannielle Talley		Steven Murray
City of Collinsville		Robert Spears
101 North Main Street	or	Hilltop Securities Inc.
P.O. Box 649		777 Main Street, Suite 1525
Collinsville, Texas 76233		Fort Worth, Texas 76102
(903) 429-6225		(817) 332-9710

CITY OFFICIALS, STAFF, AND CONSULTANTS

ELECTED OFFICIALS

City Council	Length of Service	Term Expires	Occupation
Derek Kays Mayor	3 Years	May, 2025	GM Woodbine Water
Ben McKee Mayor Pro Tempore	8 Years	May, 2025	Self-Employed
Jessica Orsburn Councilmember	5 Months	May, 2026	Realtor
Chase Guidera Councilmember	5 Months	May, 2026	Police Officer
Brandon White Councilmember	5 Months	May, 2026	Self-Employed
Steve Ritchey Councilmember	5 Months	May, 2025	Realtor

Name	Position	Length of Service with City	Length of Government Service
Dannielle Talley	City Administrator/ City Secretary	4 Years	4 Years
Karla Young	Finance Manager	10 Months	16 Years

CONSULTANTS AND ADVISORS

Auditors .... Vail & Park, P.C.
Tom Bean, Texas

Bond Counsel .... Norton Rose Fulbright US LLP
Dallas, Texas

Financial Advisor .... Hilltop Securities Inc.
Fort Worth, Texas

OFFICIAL STATEMENT

RELATING TO

3,900,000
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2024

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of $3,900,000 City of Collinsville, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024 (the "Certificates"). The Certificates were authorized for issuance under an ordinance (the "Certificate Ordinance" or “Ordinance”), adopted by the City Council of the City of Collinsville, Texas (the “City”). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Ordinance (as defined herein), (see “THE CERTIFICATES – Authority for Issuance”).

There follows in this Official Statement descriptions of the Certificates and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Financial Advisor, Hilltop Securities Inc. ("HilltopSecurities"), Fort Worth, Texas.

DESCRIPTION OF THE CITY . . . The City is a political subdivision and Type A general-law municipality of the State of Texas (the “State”), duly organized and existing under the laws of the State. The City was incorporated in 1891. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Councilmembers, with their term of office as two years. The City Administrator is the chief administrative officer for the City. Some of the services that the City provides are public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, culture-recreation, public improvements, planning and zoning, and general administrative services. The 2020 Census population for the City was 1,866, while the 2024 estimated population is 2,032. The City covers approximately 0.97 square miles.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purpose of paying (i) contractual obligations to be incurred for constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water system properties and facilities, and the acquisition of land and rights-of-way therefor (ii) to fund capitalized interest on the Certificates, and (iii) professional services rendered in connection therewith.

SOURCES AND USES OF PROCEEDS . . . The proceeds from the sale of the Certificates will be applied approximately as follows:

	The Certificates
Sources:	
Par Amount	$ 3,900,000.00
Original Issue Discount	(32,232.15)
Total Sources of Funds	$ 3,867,767.85
Uses:	
Deposit to Project Fund	$ 3,610,000.00
Deposit to Capitalized Interest Fund	120,602.60
Underwriters Discount	35,721.16
Bond Insurance Premium	34,303.89
Costs of Issuance	67,140.20
Total Uses of Funds	$ 3,867,767.85

THE CERTIFICATES

Description of the Certificates . . . The Certificates are dated October 15, 2024, and mature on August 15 in each of the years and in the amounts shown on page 2 hereof. Interest on the Certificates will accrue from the Delivery Date and will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15 of each year, commencing August 15, 2025, until maturity or prior redemption. The definitive Certificates will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Certificates will be made to the owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE CERTIFICATES - Book-Entry-Only System" herein.

Authority for Issuance . . . The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, Subchapter B of Chapter 1502, Texas Government Code, as amended, and the Certificate Ordinance.

Security and Source of Payment . . . The Certificates constitute direct obligations of the City, payable from an annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, and from a pledge of the net revenues of the City's Water and Sewer System as provided in the Certificate Ordinance.

Tax Rate Limitation . . . All taxable property within the City is subject to the assessment, levy, and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. The City is a Type A general law municipality operating under the general laws of the State as authorized by Article XI, Section 4 of the Texas Constitution, which limits the maximum tax rate to $1.50 per $100 Taxable Assessed Valuation for all City purposes. Administratively, the Attorney General of the State will permit allocation of up to $1.00 of the $1.50 maximum tax rate for all general obligation debt, calculated at the time of issuance and based on 90% tax collection factor.

Optional Redemption . . . The City reserves the right, at its option, to redeem the Certificates maturing on and after August 15, 2035, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 15, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City may select the maturities of Certificates to be redeemed. If less than all the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

With respect to any optional redemption of the Certificates, unless 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 may, 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 sufficient moneys are not received or 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 such Certificates have not been redeemed.

Mandatory Sinking Fund Redemption . . . The Certificates maturing on August 15, 2035, 2037, 2039, 2041, 2045, 2049 and 2054 (the "Term Certificates") are subject to mandatory sinking fund redemption in part prior to maturity, and will be redeemed by the City at a redemption price equal to the principal amounts thereof, plus accrued interest to the dates of redemption, on the dates and in the principal amounts as follows:

Term Certificates Due August 15, 2035		Term Certificates Due August 15, 2037		Term Certificates Due August 15, 2039		Term Certificates Due August 15, 2041	
Redemption Date	Principal Amount	Redemption Date	Principal Amount	Redemption Date	Principal Amount	Redemption Date	Principal Amount
August 15, 2034	$ 100,000	August 15, 2036	$ 110,000	August 15, 2038	$ 120,000	August 15, 2040	$ 130,000
August 15, 2035*	105,000	August 15, 2037*	115,000	August 15, 2039*	125,000	August 15, 2041*	135,000
	$ 205,000		$ 225,000		$ 245,000		$ 265,000

Term Certificates Due August 15, 2045		Term Certificates Due August 15, 2049		Term Certificates Due August 15, 2054	
Redemption Date	Principal Amount	Redemption Date	Principal Amount	Redemption Date	Principal Amount
August 15, 2042	$ 140,000	August 15, 2046	$ 160,000	August 15, 2050	$ 190,000
August 15, 2043	145,000	August 15, 2047	170,000	August 15, 2051	195,000
August 15, 2044	150,000	August 15, 2048	175,000	August 15, 2052	205,000
August 15, 2045*	155,000	August 15, 2049*	180,000	August 15, 2053	215,000
	$ 590,000		$ 685,000	August 15, 2054*	225,000
					$1,030,000

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*Maturity

The Term Certificates to be redeemed shall be selected by lot or other customary random method of the Paying Agent/Registrar (or by DTC in accordance with its procedures while the Certificates are in book-entry-only form). Any Term Certificates not selected for prior redemption shall be paid on the date of their stated maturity.

The principal amount of Term Certificates required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option and direction of the City, by the principal amount of any Term Certificates 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, or (2) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Certificates, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Certificates to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and any other condition to redemption satisfied, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

DEFEASANCE . . . The Certificate 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, redemption, or otherwise), is provided by irrevocably depositing with a paying agent or other authorized entity, in trust (1) money sufficient to make such payment or (2) Government Securities, certified by its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party to 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 Certificates being defeased. The Certificate Ordinance provides that "Government Securities" means (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 are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (d) any other then authorized securities or obligations that may be used to defease obligations such as the obligations under the then applicable laws of the State of Texas. The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government 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.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid. The City has reserved the option, however, to be exercised at the time of the defeasance of the Certificates, to call for redemption at an earlier date, which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the 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.

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 Certificate Ordinance does not contractually limit such investments, registered owners may 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 as Government Securities or those for any other Government Security will be maintained at any particular rating category.

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 accredited 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 considers the source of such information to be reliable, but takes 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 Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC, New York, New York, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate for each maturity will be issued for the Certificates in the aggregate principal amount thereof 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 referred to collectively as the "Participants". DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com .

Purchases of 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, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest 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 the 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 Participant to whose account such Certificates are credited, which may or may not be a Beneficial Owner. 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.

Redemption notices 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. will consent or vote with respect to the 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 City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 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 City or the Paying Agent/Registrar on payable dates 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 in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to DTC is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Participants.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the City and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, securities 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.

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.

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 Advisors or the Underwriter of the Certificates.

Effect of Termination of Book-Entry-Only System. In the event the Book-Entry-Only System with respect to the Certificates is discontinued by DTC, or the use of the Book-Entry-Only System with respect to the Certificates is discontinued by the City, printed securities certificates will be issued to the holders of the affected Certificates, and the applicable Certificates will be subject to transfer, exchange, and registration provisions as set forth in the Ordinance, summarized under "THE CERTIFICATES - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is BOKF, NA., Dallas, Texas. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Certificates. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Certificates affected by the changes by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Interest on the Certificates shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Certificates will be paid to the registered owner at their stated maturity or earlier redemption upon presentation to the designated payment/transfer office of 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 to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, the Certificates may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange 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, exchange and transfer. Certificates may be assigned by the execution of an assignment form on the Certificates or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New 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 mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, 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 business days after the receipt of the Certificates to be canceled, 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 any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Certificates surrendered for exchange or transfer. See "THE CERTIFICATES - Book-Entry-Only System" above for a description of the system to be utilized initially in regard to ownership and transferability of the Certificates. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate (i) 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 (ii) with respect to any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the uncalled balance of a Certificate.

Record Date for Interest Payment . . . The record date ("Record Date") for the interest payable on the Certificates on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Certificate to be paid on the Special Payment Date that appears 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.

Remedies . . . The Ordinance does not establish specific events of default with respect to the Certificates. If the City defaults in the payment of the principal of or interest on any of 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, 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, conditions or obligations. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the obligations set forth in 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 it rests with the discretion of the court, but it may not be arbitrarily refused. There is no acceleration of maturity of any 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 holders of the Certificates 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 April 1, 2016, the Texas Supreme Court ruled in Wasson Interests, Ltd. V. City of Jacksonville, 489 S.W. 3d 427 (Tex. 2016) ("Wasson") that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. The Texas Supreme Court reviewed Wasson again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore in regard to municipal contract cases (as in tort claims) it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of 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 the authority or for the benefit of the state. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court has 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.

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, including holders 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 creditors' rights 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., the nominee of DTC. See "THE CERTIFICATES - Book-Entry-Only System" above for a description of the duties of DTC with regard to ownership of the Certificates.

Amendments to the Ordinance . . . The City may, without the consent of or notice to any Holders, from time to time and at any time, amend the Ordinance in any manner not detrimental to the interests of the holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of holders holding a majority in aggregate principal amount of the Certificates then outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all holders of outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by holders for consent to any such amendment, addition, or rescission.

BOND INSURANCE

Concurrently with the issuance of the Certificates, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Certificates (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Certificates when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $486.0 million, $232.7 million and $253.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

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

Additional Information Available from BAM

CREDIT INSIGHTS VIDEOS. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at https://bambonds.com/insights/#video. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

CREDIT PROFILES. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

DISCLAIMERS. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Certificates. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Certificates, whether at the initial offering or otherwise.

BOND INSURANCE RISK FACTORS . . . In the event of default of the scheduled payment of principal of or interest on the Certificates when all or a portion thereof becomes due, any owner of the Certificates shall have a claim under the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Certificates by the City which is recovered by the City from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the City (unless the Insurer chooses to pay such amounts at an earlier date).

Payment of principal of and interest on the Certificates is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist. The Insurer may reserve the right to direct the pursuit of available remedies, and, in addition, may reserve the right to consent to any remedies available to and requested by the owners.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Certificates are payable solely from the sources of funds pledged to the payment of the Certificates (see "THE CERTIFICATES – Security and Source of Payment"). In the event the Insurer becomes obligated to make payments with respect to the Certificates, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Certificates.

If a Policy is acquired, the long-term ratings on the Certificates will be dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the ratings on the Certificates, whether or not subject to a Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Certificates. See the description under "OTHER INFORMATION – Ratings" herein.
The obligations of the Insurer under a Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the City, the Financial Advisor or the Underwriter have made independent investigation into the claims-paying ability of any potential Insurer and no assurance or representation regarding the financial strength or projected financial strength of any potential Insurer is given.

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

TAX INFORMATION

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 I 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 Grayson Central 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 (3) 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% increase is cumulative, meaning the maximum increase is 10% times the number of years since the property was last appraised. 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. The same land may not be qualified as both agricultural and open-space land. 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 "TAX INFORMATION – City 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.

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. Cities, counties, and school districts are prohibited from repealing or reducing an optional homestead exemption that was granted in tax year 2022 through December 31, 2027.

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.

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 outside the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or outside 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.

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. The Texas Legislature amended Section 11.35, Tax Code to clarify that "damage" for purposes of such statute is limited to "physical damage." For more information on the exemption, reference is made to Section 11.35 of the Tax Code, as amended.

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.

Tax increment Reinvestment Zones . . . A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. 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 "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

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.

For a discussion of how the various exemptions described above are applied by the City, see "TAX INFORMATION – City Application of Tax Code" herein.

City and Taxpayer Remedies . . . Under certain circumstances, taxpayers and taxing units, including the City, 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 in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount was set at $59,562,331 for the 2024 tax year and is adjusted annually by the State Comptroller to reflect the inflation rate.

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 "TAX INFORMATION – Public Hearing and Maintenance and Operations Tax Rate Limitations"). The Property Tax Code also establishes a procedure for providing 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.

Levy and Collection of Taxes . . . The City is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the City. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the City may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

PUBLIC HEARING AND MAINTENANCE AND OPERATIONS 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.

"foregone revenue amount" means the greater of zero or the amount expressed in dollars calculated according to the following formula: the voter-approval tax rate less the actual tax rate, then multiplied by the taxing unit's current total value in the applicable preceding tax year.

"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).

"preceding total value" means a taxing unit's current total value in the applicable preceding tax year.

"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 greater of (i) zero; or (ii) the sum of the foregone revenue amount for each of the tax years 2021 foregone revenue amount, the 2022 foregone revenue amount, and 2023 foregone revenue amount divided by the current total value.

"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 Council by August 15 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 posted notice prominently on the appraisal district's website (if the appraisal district maintains a website) and the assessor for the city has prominently posted on the city's website notice informing property owners of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase. The appraisal district is also required to post notice in a newspaper of general circulation by August 7 or as soon thereafter as practicable or if there is no newspaper of general circulation, the notice must be posted in the appraisal district's office.

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.

DEBT TAX RATE LIMITATIONS . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax supported debt, within the limits prescribed by law. Article XI, Section 4 of the Texas Constitution, which limits the maximum tax rate to $1.50 per $100 Taxable Assessed Valuation is applicable to the City. Administratively, the Attorney General of the State will permit allocation of up to $1.00 of the $1.50 maximum tax rate for all general obligation debt, calculated at the time of issuance and based on 90% tax collection factor.

THE CITY'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the City are a personal obligation of the owner of the property. 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 each taxing unit, including the City, having power to tax the property. The City's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the City is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the 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, adverse market conditions, 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 bankruptcy proceedings which restrain the collection of a taxpayer's debt.

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.

PROPERTY ASSESSMENT AND TAX PAYMENT . . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of February 15. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 15 of each year and the final installment due on August 15.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, the penalty remains at 12%, and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest penalty is to compensate the taxing unit for revenue lost because of the delinquency. In addition the taxing unit may contract with an attorney for the collection of delinquent taxes and the amount of compensation as set forth in such contract may not provide for a fee that exceeds 20% of the amount of delinquent tax, penalty, and interest collected, and such fee may be added to the total tax penalty and interest charged to the taxpayer. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action 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 TAX CODE . . . The City has not granted an exemption to the market value of the residence homestead of persons 65 years of age or older.

The City has not granted an additional exemption of up to 20% of the market value of residence homesteads.

The City has not established a freeze on the taxes on residence homesteads of persons 65 years of age or who are disabled.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.

The City does not tax intangible personal property and Grayson County Tax Assessor-Collector collects taxes for the City.

The City does permit split payments, and discounts are not allowed.

The City does not tax freeport property.

The City does collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has not adopted a tax abatement policy.

The City does not tax goods in transit.

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2024/25 Market Valuation Established by Tarrant Appraisal District (excluding totally exempt property)		$ 222,035,288
Less Exemptions/Reductions at 100% Market Value:		
Homestead Cap	$ 14,740,851	
Disabled Veterans Exemption	4,506,276	
First Responder's Surviving Spouse	131,980	
Solar/Wind	17,434	
Agricultural Land Use Reductions	1,000,185	20,396,726
2024/25 Taxable Assessed Valuation		$ 201,638,562
Debt Payable from Ad Valorem Taxes (as of 9-30-24)		
General Obligation Indebtedness (1)	$ 1,346,178	
The Certificates	3,900,000	
		$ 5,246,178
City Funded Debt Payable from Ad Valorem Taxes		
Self Supporting General Obligation Debt:		
Existing Waterworks and Sewer System Debt	$ 866,000	$ 866,000
The Certificates	3,900,000	3,900,000
Net Funded Debt Payable From Ad Valorem Taxes		$ 480,178
Ratio Tax Supported Debt to Taxable Assessed Valuation		2.60%
Ratio Net Tax Supported Debt to Taxable Assessed Valuation		0.24%

2024 Estimated Population - 2,032
Per Capita Taxable Assessed Valuation - $99,232
Per Capita Funded Debt - $2,582
Per Capita Net Funded Debt - $236

(1) General obligation indebtedness includes lease/purchase obligations (see table 10 – Other Obligations).

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2025		2024		2023	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	$ 176,884,979	79.67%	$ 159,858,660	79.32%	$ 131,361,890	80.55%
Real, Residential Multi-Family	10,145,162	4.57%	9,965,968	4.95%	8,717,188	5.35%
Real, Vacant Lots/Tracts	2,823,841	1.27%	2,140,066	1.06%	1,694,769	1.04%
Real, Acreage (Land Only)	1,052,617	0.47%	903,255	0.45%	520,365	0.32%
Real, Farm and Ranch Improvements	2,835,167	1.28%	2,858,807	1.42%	2,309,211	1.42%
Real, Commercial	13,499,255	6.08%	12,213,427	6.06%	10,645,186	6.53%
Real and Tangible Personal, Utilities	4,077,615	1.84%	2,054,100	1.02%	2,061,266	1.26%
Tangible Personal, Commercial	3,878,005	1.75%	3,741,649	1.86%	3,304,064	2.03%
Tangible Personal, Mobile Homes	141,444	0.06%	215,018	0.11%	166,529	0.10%
Real Property, Inventory	6,611,854	2.98%	7,503,638	3.72%	2,183,935	1.34%
Special Inventory	85,349	0.04%	77,331	0.04%	120,035	0.07%
Total Appraised Value Before Exemptions	$ 222,035,288	100.00%	$ 201,531,919	100.00%	$ 163,084,438	100.00%
Less: Total Exemptions/Reductions	(20,396,726)		(22,828,648)		(13,425,719)	
Taxable Assessed Value	$ 201,638,562		$ 178,703,271		$ 149,658,719	

	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2022		2021	
Category	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	$ 98,019,413	80.55%	$ 88,308,744	80.59%
Real, Residential Multi-Family	6,395,821	5.26%	4,337,281	3.96%
Real, Vacant Lots/Tracts	1,187,156	0.98%	910,784	0.83%
Real, Acreage (Land Only)	376,405	0.31%	277,452	0.25%
Real, Farm and Ranch Improvements	1,276,471	1.05%	1,181,590	1.08%
Real, Commercial	8,611,743	7.08%	8,045,228	7.34%
Real and Tangible Personal, Utilities	1,855,401	1.52%	1,551,786	1.42%
Tangible Personal, Commercial	3,161,791	2.60%	3,277,591	2.99%
Tangible Personal, Mobile Homes	108,170	0.09%	200,309	0.18%
Real Property, Inventory	608,985	0.50%	1,384,990	1.26%
Special Inventory	81,282	0.07%	100,212	0.09%
Total Appraised Value Before Exemptions	$ 121,682,638	100.00%	$ 109,575,967	100.00%
Less: Total Exemptions/Reductions	(4,535,286)		(4,165,805)	
Taxable Assessed Value	$ 117,147,352		$ 105,410,162	

NOTE: Valuations shown are certified taxable assessed values reported by the Grayson Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population [1]	Taxable Assessed Valuation [2]	Taxable Assessed Valuation Per Capita	Tax Supported Debt Outstanding at End of Year	Ratio of Tax Supported Debt to Taxable Assessed Valuation	Tax Supported Debt Per Capita
2021	1,943	$ 105,410,162	$ 54,251	$ 217,264	0.21%	$ 112
2022	2,021	117,147,352	57,965	236,810	0.20%	117
2023	2,023	149,658,719	73,979	295,866	0.20%	146
2024	2,032	178,703,271	87,945	480,178	0.27%	236
2025	2,032	201,638,562	99,232	372,317	0.18%	183

(1) Source: City's Officials.
(2) Source: Grayson Central Appraisal District.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution: General Fund	Distribution: Interest and Sinking Fund	Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
2021	$ 0.356900	$ 0.334500	$ 0.022400	$ 355,766	98.29%	100.66%
2022	0.370600	0.299600	0.071000	406,770	94.17%	104.14%
2023	0.289700	0.256300	0.033400	417,106	99.19%	100.53%
2024	0.475600	0.419100	0.056500	849,913 (1)	N/A (2)	N/A (2)
2025	0.610000	0.527888	0.082112	1,229,995 (1)	In Process of Collection	

(1) Calculated.
(2) Not yet available.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2024/25 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Oncor Electric Delivery Co. LLC	Utility Services	$ 2,544,640	1.26%
Home Owner	Individual Residence	2,141,045	1.06%
Cotton Boll Investments LLC	Individual Residence	1,722,613	0.85%
Home Owner	Individual Residence	1,524,446	0.76%
Patterson Professional Services LLC	Commercial Building	1,339,737	0.66%
Home Owner	Individual Residence	1,240,540	0.62%
Home Owner	Individual Residence	1,196,566	0.59%
Astoria Homes LLC	Residential Homes	1,270,548	0.63%
Home Owner	Individual Residence	1,070,937	0.53%
Home Owner	Individual Residence	1,145,051	0.57%
		$ 15,196,123	7.54%

TABLE 6 - TAX ADEQUACY [1]

2025 Principal and Interest Requirements	$ 352,928
$0.1768 Tax Rate at 99% Collection Produces	$ 352,932
Average Annual Principal and Interest Requirements, 2025 - 2054	$ 260,361
$0.1305 Tax Rate at 99% Collection Produces	$ 260,507
Maximum Principal and Interest Requirements, 2026	$ 466,801
$0.2339 Tax Rate at 99% Collection Produces	$ 466,916

____

(1) Includes the Certificates. See Table 8 herein.

TABLE 7 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	2024/25 Taxable Assessed Value	2024/25 Tax Rate	Total Tax Supported Debt	Estimated % Applicable	City's Overlapping Tax Supported Debt As of 9-30-24	Authorized But Unissued Debt As Of 9-30-24
City of Collinsville	$ 201,638,562	$ 0.610000	$ 480,178 [1]	100.00%	$ 480,178 [1]	$ -
Collinsville Independent School District	333,057,007	0.957500	22,640,000	39.37%	8,913,368	-
Grayson County	18,531,227,787	0.305100	43,125,000	0.84%	362,250	-
Grayson County College District	20,771,211,943	0.145990	16,610,000	0.84%	139,524	-
Total Direct and Overlapping Tax Supported Debt					$ 9,895,320	
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation					4.91%	
Per Capita Overlapping Tax Supported Debt					$ 4,869.74	

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(1) Includes the Certificates and lease/purchase obligations (see Table 10 – Other Obligations).

DEBT INFORMATION

TABLE 8 – GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS [1]

Fiscal Year Ended 9/30	Outstanding Debt [2] Principal	Interest	Total	The Certificates [3] Principal	Interest	Total	Total Outstanding Debt	% of Total Outstanding Principal Retired
2025	$ 197,000	$ 35,326	$ 232,326	$ -	$ 120,603	$ 120,603	$ 352,928	
2026	207,000	25,963	232,963	70,000	163,838	233,838	466,801	
2027	213,000	16,226	229,226	70,000	160,338	230,338	459,564	
2028	224,000	6,096	230,096	75,000	156,838	231,838	461,933	
2029	25,000	451	25,451	80,000	153,088	233,088	258,539	24.36%
2030	-	-	-	85,000	149,088	234,088	234,088	
2031	-	-	-	90,000	144,838	234,838	234,838	
2032	-	-	-	90,000	140,338	230,338	230,338	
2033	-	-	-	95,000	135,838	230,838	230,838	
2034	-	-	-	100,000	131,088	231,088	231,088	34.01%
2035	-	-	-	105,000	127,088	232,088	232,088	
2036	-	-	-	110,000	122,888	232,888	232,888	
2037	-	-	-	115,000	118,488	233,488	233,488	
2038	-	-	-	120,000	113,888	233,888	233,888	
2039	-	-	-	125,000	109,088	234,088	234,088	46.08%
2040	-	-	-	130,000	104,088	234,088	234,088	
2041	-	-	-	135,000	98,888	233,888	233,888	
2042	-	-	-	140,000	93,488	233,488	233,488	
2043	-	-	-	145,000	87,888	232,888	232,888	
2044	-	-	-	150,000	82,088	232,088	232,088	60.76%
2045	-	-	-	155,000	76,088	231,088	231,088	
2046	-	-	-	160,000	69,888	229,888	229,888	
2047	-	-	-	170,000	63,488	233,488	233,488	
2048	-	-	-	175,000	56,688	231,688	231,688	
2049	-	-	-	180,000	49,688	229,688	229,688	78.39%
2050	-	-	-	190,000	42,488	232,488	232,488	
2051	-	-	-	195,000	34,650	229,650	229,650	
2052	-	-	-	205,000	26,606	231,606	231,606	
2053	-	-	-	215,000	18,150	233,150	233,150	
2054	-	-	-	225,000	9,281	234,281	234,281	100.00%
	$ 866,000	$ 84,062	$ 950,062	$ 3,900,000	$ 2,960,778	$ 6,860,778	$ 7,810,839	

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(1) The City's outstanding general obligation debt, including the Certificates, is fully self-supported by water and sewer system revenues.
(2) "Outstanding Debt" does not include lease/purchase obligations (see table 10 – Other Obligations).
(3) Average life of the Certificates is 18.519 Years.

TABLE 9 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

The City does not have any voter authorized but unissued Bonds as of September 30, 2024.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . The City does not anticipate the issuance of any additional general obligation debt in Fiscal Year 2025.

TABLE 10 – OTHER OBLIGATIONS [1]

On June 29, 2015, the City executed a financed purchase agreement in the amount of $252,000 with Government Capital Corporation to pay a portion of the acquisition cost for a 2013 Model Ferrara Fire Truck for the City's volunteer fire department; the total acquisition cost was $300,000. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's General Fund with property tax revenues. Annual payments of $22,306 are required through February 2030 at an implicit interest rate of 3.972%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

On October 11, 2021, the City executed a financed purchase agreement in the amount of $68,439 with Government Capital Corporation to pay a portion of the acquisition cost for a 2022 Ford Truck F-450. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's General Fund with property tax revenues. Annual payments of $15,114 are required through November 2026 at an implicit interest rate of 3.398%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

On June 12, 2023, the City executed a financed purchase agreement in the amount of $71,920 with American Leasing Company to pay a portion of the acquisition cost for a 2023 Chevy Tahoe. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's General Fund with property tax revenues. Annual payments of $17,193 are required through June 2028 at an implicit interest rate of 6.25%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

On February 7, 2023, the City executed a financed purchase agreement in the amount of $34,274 with American National Leasing Company to pay a portion of the acquisition cost for a 2022 Ford Truck F-250. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's General Fund with property tax revenues. Annual payments of $12,705 are required through June 2028 at an implicit interest rate of 5.50%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

On March 13, 2023, the City executed a financed purchase agreement in the amount of $95,606 with Government Capital Corporation to pay a portion of the acquisition cost for a Sewer Jet. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's Water Fund with water and sewer revenue. Annual payments of $27,352 are required through October 2026 at an implicit interest rate of 3.762%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

	Notes Payable					
Year Ending	Governmental Activities			Business-Type Activities		
September 30	Principal	Interest	Total	Principal	Interest	Total
2024	53,712	13,607	67,319	23,510	3,843	27,353
2025	56,232	11,086	67,318	22,478	4,875	27,353
2026	58,873	8,446	67,319	23,998	3,355	27,353
2027	48,935	5,678	54,613	25,620	1,732	27,352
2028	36,025	3,474	39,499	-	-	-
2029-2030	42,089	2,524	44,613	-	-	-
	$ 295,866	$ 44,815	$ 340,681	$ 95,606	$ 13,805	$ 109,411

(1) As reported in the City's 2023 Financial Statement and Independent Auditor's Report.

OTHER POST-EMPLOYMENT BENEFITS . . . The City participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the 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 Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

BENEFITS PROVIDED . . . TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the City Council, 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 can choose to receive their retirement benefit in one of seven payment 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 seventy five percent (75%) of the members' deposit and interest.

Plan provisions for the City were as follows:

Employee Deposit Rate	6.0%
Matching ratio (city to employee)	2 to 1
Years required for vesting	10
Service retirement eligibility (expressed as age/years of service)	60/10, 0/25
Updated Service Credit	0%
Annuity Increase (to retirees)	0% of CPI

At the December 31, 2022 valuation and measurement date, the following employees of the City were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	7
Inactive employees entitled to but not yet receiving benefits	4
Active Employees	12
Total	23

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

Employees of the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 5.35% and 6.45% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were $50,981 and were equal to the required contributions.

NET PENSION LIABILITY . . . The City's Net Pension Liability (NPL) or Net Pension Asset (NPS) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of the date.

ACTUARIAL ASSUMPTIONS . . . The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%

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 is 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.

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. They 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 in order to satisfy the short-term and long-term funding needs of TMRS.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public a 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	100.0%	

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

CHANGES IN NET PENSION LIABILITY

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2021	$ 591,790	$ 626,951	$ (35,161)
Changes for the year:			
Service cost	60,928	-	$ 60,928
Interest	40,905	-	40,905
Changes of benefit terms	-		-
Difference between expected and actual experience	(15,468)	-	(15,468)
Changes of assumptions	-	-	-
Contribution - employer	-	32,387	(32,387)
Contribution - employee	-	30,063	(30,063)
Net investment income	-	(45,850)	45,850
Benefit payments, incl refunds of employee contributions	(32,503)	(32,503)	-
Administrative expense	-	(396)	396
Other changes	-	473	(473)
Net changes	53,862	(15,826)	69,688
Balance at December 31, 2022	$ 645,652	$ 611,125	$ 34,527

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE. . .The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1- percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net Pension Liability	$ 117,398	$ 34,527	$ (33,906)

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

PENSION EXPENSE AND DEFERRED OUTFLOWS / INFLOWS OF RESOURCES RELATED TO PENSIONS. . . For the year ended September 30, 2023, the City recognized pension expense of $47,753.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (9,483)
Changes in actuarial assumptions	141	
Difference between projected and actual investment earnings	40,673	-
Contributions subsequent to the measurement date	35,660	-
Total	$ 76,474	$ (9,483)

The $35,660 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will reduce the net pension liability during the year ending September 30, 2024. The other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2024	$ 591
2025	6,149
2026	6,958
2027	17,633
2028	-
Thereafter	-
Total	$ 31,331

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FINANCIAL INFORMATION

TABLE 11 - CHANGES IN NET ASSETS

Revenues:	Fiscal Year Ended September 30,				
Program Revenues	2023	2022	2021	2020	2019
Charges for Services	$ 308,369	$ 207,440	$ 229,399	$ 153,366	$ 115,067
Operating Grants and Contributions	80,292	32,025	41,075	147,645	41,200
Capital Funds & Contributions	162,148	65,618	-	-	-
General Revenues					
Property Taxes	415,558	399,906	357,961	343,751	300,927
Sales Taxes	436,946	400,272	337,766	356,068	223,660
Franchise Taxes	81,718	81,202	75,084	66,434	68,368
Other	105,430	68,134	54,421	9,715	18,478
Total Revenues	$ 1,590,461	$ 1,254,597	$ 1,095,706	$ 1,076,979	$ 767,700
Expenses:					
General Government and Administration	$ 1,012,909	$ 890,909	$ 683,981	$ 675,057	$ 569,742
Library	7,776	8,863	-	-	-
Public Safety	643,095	510,895	450,754	349,265	445,802
Streets	91,062	86,137	34,942	10,098	24,735
Parks and Recreation	6,594	9,326	-	-	-
Development	27,636	56,315	64,436	152,485	60,057
Total Expenses	$ 1,789,071	$ 1,562,445	$ 1,234,113	$ 1,186,905	$ 1,100,337
Increase (Decrease) in Net Position	$ (198,610)	$ (307,848)	$ (138,407)	$ (109,926)	$ (332,637)
Transfers	1,162,788	(165,369)	190,308	298,497	303,830
Change in Net Position	$ 964,178	$ (473,217)	$ 51,901	$ 188,572	$ (28,807)
Net Position - October 1	1,211,435	1,625,535	1,573,634	1,306,667	1,335,474
Net Position - September 30	$ 2,175,613	$ 1,152,318	$ 1,625,535	$ 1,495,239	$ 1,306,667

TABLE 11-A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
Revenues	2023	2022	2021	2020	2019
Taxes, Penalty and Interest	$ 627,227	$ 609,816	$ 525,682	$ 512,949	$ 411,222
Fees and Permits	184,340	123,665	83,460	51,870	40,130
Contributions and Grants	242,440	84,747	41,075	127,670	23,235
Fines/Forfeitures	109,891	95,691	115,462	87,223	63,334
Franchise Fees	81,718	81,202	75,083	66,434	68,368
Other Governmental	86,006	66,745	18,009	19,510	17,965
Miscellaneous	-	-	53,034	4,864	14,368
Total Revenues	$ 1,331,622	$ 1,061,866	$ 911,805	$ 870,520	$ 638,622
Expenditures					
General Government	$ 946,087	$ 814,435	$ 621,850	$ 616,880	$ 538,842
Public Safety	553,991	443,429	377,703	273,103	378,882
Streets and Public Works	74,541	70,045	16,043	6,909	3,381
Community/Economic Development	-	-	-	-	-
Library	9,354	10,870		-	
Parks and Recreation	3,272	5,534		-	
Capital Outlay	293,338	103,171	193,086	106,580	26,007
Debt Service	58,237	52,570	57,755	42,516	39,530
Total Expenditures	$ 1,938,820	$ 1,500,054	$ 1,266,437	$ 1,045,988	$ 986,642
Excess (Deficiency) of Revenues					
Over Expenditures	$ (607,198)	$ (438,188)	$ (354,632)	$ (175,468)	$ (348,020)
Other Financing Sources (Uses):					
Proceeds from the Issuance of Debt	$ 106,194	$ 68,348	$ 43,600	$ 56,000	$ -
Proceeds from the Sales of Capital Assets	11,800	-	-	-	-
Transfers In	1,239,674	129,525	224,372	323,000	303,830
Transfers Out	(76,886)	(294,894)	(34,064)	(24,504)	-
Total Other Financing Sources (Uses)	$ 1,280,782	$ (97,021)	$ 233,908	$ 354,496	$ 303,830
Net Change in Fund Balance	$ 673,584	$ (535,209)	$ (120,724)	$ 179,028	$ (44,190)
Beginning Fund Balance	(398,795)	123,506	244,230	65,202	109,392
Ending Fund Balance	$ 274,789	$ (411,703)	$ 123,506	$ 244,230	$ 65,202

TABLE 12 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

Fiscal Year Ended 9/30	2% Total Collected [1]	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2021	$ 168,883	47.47%	$ 0.1602	$ 87
2022	200,897	49.39%	0.1715	99
2023	212,861	51.03%	0.1422	105
2024	226,846	26.69%	0.1269	112
2025	N/A [2]	00.00%	0.0000	0

(1) Also Includes the ½ cent sales tax for 4A sales tax and ½ cent 4B sales tax described below.
(2) In process of collection.

The voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½ of 1%) for both economic development and industrial development under the Development Act of 1979. The Collinsville Economic & Industrial Development Corporations (the "Corporations") are separate legal organizations, but the City Council is responsible for appointing board members and has overall fiscal responsibility for them. The proceeds from sales taxes are to be used for industrial and economic development of the City., and may be pledged to secure payment of sales tax revenue bonds issued by the Corporations. These sales tax revenues are not pledged to the payment of the Certificates.

Fiscal Year Ended 9/30	4A Sales Tax Collected	4B Sales Tax Collected
2021	$ 84,442	$ 84,442
2022	99,688	99,688
2023	112,043	112,043
2024	113,423 [1]	113,423 [1]
2025	In Process of Collection	

(1) Collections through August 1, 2024.

The sales tax breakdown for the City is as follows:

	Cents
Industrial Development	1/2
Economic Development	1/2
City Sales and Use Tax	1
State Sales and Use Tax	6 1/4
Total	8 1/4

INVESTMENTS

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

LEGAL INVESTMENTS . . . . Available City funds are invested as authorized by Texas law and in accordance with investment policies approved by the City Council. 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 directly 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 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 Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025 Texas Government Code; or (ii) a depository institution with a main office or branch office in this State that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) 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 (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission (the "SEC") and operating under SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor, or are secured as to principal by obligations described in the clauses (1) through (8) 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 (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit 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 the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) 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) securities lending programs if (i) the value of the securities loaned under the program must be not less than 100% collateralized, including accrued income, 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 (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 (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name 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; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) a no-load money market mutual fund registered with and regulated by the SEC and complies with federal SEC Rule 2a-7, and (15) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The 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 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.

INVESTMENT POLICIES . . . 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 includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, 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 Texas Public Funds Investment Act (Texas Government Code, Chapter 2256, as amended) (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, City 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 the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and 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 strategy statements and (b) State law. No person may invest City funds without express written authority from the City Council.

Under State 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 engage in any investment transaction with the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of business organizations (defined as local government investment pool or discretionary investment management firm) 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 relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority 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 Treasurer, chief financial officer and investment officers; (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.

TABLE 13 - CURRENT INVESTMENTS

As of August 31, 2024, the City's investable funds were invested in the following categories:

Description	Percent	Market Value
Texpool	0.01%	$ 374
Bank Accounts	99.99%	3,134,697
	100.00%	$ 3,135,071

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TAX MATTERS

TAX EXEMPTION . . . The delivery of the Certificates is subject to the opinion of Bond Counsel to the effect that interest on the Certificates for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel's opinion is reproduced as Appendix B. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

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

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt Certificates. If an audit of the Certificates is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Certificates would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Certificates, the City may have different or conflicting interests from the owners of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer’s applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Certificates. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Certificates.

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

TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN CERTIFICATES . . The initial public offering price of certain Certificates (the "Discount Certificates") may be less than the amount payable on such Certificates at maturity. An amount equal to the difference between the initial public offering price of a Discount Certificate (assuming that a substantial amount of the Discount Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Certificate. A portion of such original issue discount allocable to the holding period of a Discount Certificate by the initial purchaser will, upon the disposition of such Discount Certificate (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Certificates described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Certificate, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Certificate and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

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

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

The purchase price of certain Certificates (the "Premium Certificates") paid by an owner may be greater than the amount payable on such Certificates at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Certificate over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Certificate in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Certificate. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Certificate, the yield based on a call date that results in the lowest yield on the Certificate).

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

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

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

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Certificates qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) regarding the City's continuing disclosure obligation, because the City does not currently have outstanding more than $10,000,000 in aggregate principal amount of municipal securities (excluding securities offered in transactions that were exempt from the Rule). Pursuant to the exemption, in the Ordinance, the City has made the following agreement for so long as it remains an "obligated person" with respect to the Certificates, within the meaning of the Securities and Exchange Commission's Rule 15c2-12 (the "Rule"). 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") thought its Electronic Municipal Market Access ("EMMA") system.

ANNUAL REPORTS . . . The City will provide certain updated financial information and operating data, which is customarily prepared by the City and is publicly available to the MSRB on an annual basis. Such information is currently provided through the City's audited financial statements. The City will update and provide this information within twelve months after the end of each fiscal year. The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12, as amended (the "Rule"). The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by the required time and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix A or such other accounting principles as the City may be required to employ from time to time pursuant to State Law or regulation.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by September 30^{th} in each year, unless the City changes its fiscal year. If the City 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 if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in item (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. For purposes of the events described in (15) and (16) above, "Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) 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 . . . The City 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.

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

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) 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 (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Certificates consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the City so amends the agreement, it has agreed to 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 financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

OTHER INFORMATION

RATINGS

The Certificates are rated "BBB" by S&P without regard to credit enhancement. Additionally, the Certificates are rated “AA” (Stable Outlook) by S&P by virtue of a Municipal Bond Insurance policy to be issued by Build America Mutual Assurance Company upon delivery of the Certificates to the Underwriter. An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the view of such organization and the City makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Certificates.

LITIGATION

It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that, if decided adversely against the City, would have a material adverse financial impact upon the City or its operations.

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 City 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.

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, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State of Texas, 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 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 subdivisions, and are legal security for those deposits to the extent of their 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.

LEGAL MATTERS

The City will furnish a complete transcript of proceedings incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinions of the Attorney General of Texas approving the Initial Certificate and to the effect that the Certificates are valid and legally binding obligations of the City, except to the extent that enforcement of the rights and remedies of the registered owners of the Certificates may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. Though it may represent the Financial Advisor and the Underwriter 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. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under the captions, “THE CERTIFICATES” (exclusive of the subcaptions “Tax Rate Limitation” “Book-Entry-Only System,” and “Remedies” and “Plan of Financing”), “TAX MATTERS” and “CONTINUING DISCLOSURE OF INFORMATION” (exclusive of the subcaption “Compliance with Prior Undertakings”) and the subcaptions “Registration and Qualification of Certificates for Sale,” “Legal Matters” (exclusive of the last two sentences of the first paragraph thereof) and “Legal Investments and Eligibility to Secure Public Funds in Texas” under the caption “OTHER INFORMATION” in the Official Statement and such firm is of the opinion that the information relating to the Certificates and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and such information conforms to the Ordinance. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Certificates is contingent on the sale and delivery of the Certificates. The legal opinions will accompany the Certificates deposited with DTC or will be printed on the Certificates in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriter by its counsel, McCall, Parkhurst & Horton, L.L.P., Dallas, Texas. The legal fee of such firm is contingent upon the sale and delivery of the Certificates. The various legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgments of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City 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 documents in all respects.

FINANCIAL ADVISOR

Hilltop Securities Inc. is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. HilltopSecurities, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

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

UNDERWRITING

The Underwriter has agreed, subject to certain conditions, to purchase the Certificates from the City, at an underwriting discount of $35,721.16. The Underwriter will be obligated to purchase all of the Certificates if any Certificates are purchased. The Certificates to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Certificates into investment trusts) at prices lower than the public offering prices of such Certificates and such offering prices may be changed, from time to time, by the Underwriter.

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

CYBERSECURITY

Computer networks and data transmission and collection are vital to the operations of the City Information technology and infrastructure of the City may be subject to attacks by outside or internal hackers and may be subject to breach by employee error, negligence or malfeasance. An attack or breach could compromise systems and the information stored thereon, result in the loss of confidential or proprietary data and disrupt the operations of the City. To mitigate these risks, the City continuously endeavors to improve the range of control for digital information operations, enhancements to the authentication process, and additional measures toward improving system protection/security posture, including required training for City staff and administration.

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's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. 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.

MISCELLANEOUS

The Ordinance authorizing the issuance of the Certificates approved 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 Underwriter.

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APPENDIX A

EXCERPTS FROM THE

CITY OF COLLINSVILLE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2023

The information contained in this Appendix consists of excerpts from the City of Collinsville, Texas Annual Comprehensive Financial Report for the Year Ended September 30, 2023, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

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VP VAIL & PARK, P.C. | AUDIT TAX ADVISORY

Michael G. Vail, CPA
Charlie Park, CPA
Matt P. Chen, CPA
Charles T. Gregg, CPA
Don E. Graves, CPA
Susan K. LaFollett, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council of the
City of Collinsville, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Collinsville, Texas (the 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

Frisco, TX (main office):
11500 State Hwy 121, Suite 410, Frisco, TX 75035
Voicemail: 214-660-2000 Office Direct: 972-234-3333 Fax: 972-234-3331

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118 Cottonbelt Road, P.O.Box 717, Tom Bean, TX 75489
Office Direct: 903-546-6975 Fax: 903-546-6017

www.vailcpas.com

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 on pages 5-9, the General Fund budgetary comparison on page 43, and the Schedule of Contributions to Pension Plan – TMRS, Schedule of Changes in Net Pension Liability and Related Ratios - TMRS, and Schedule of Changes in Total OPEB Liability and Related Ratios – TMRS on pages 44-49, 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. are also not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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 Sales Tax (4A and 4B) Fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual on page 53 is presented for purposes of additional analysis and is 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 Sales Tax (4A and 4B) Fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Vail + Park, P.C.

Tom Bean, Texas
June 10, 2024

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The management of the City of Collinsville, Texas (City) offers this narrative summary and analysis of the City's financial activities for the fiscal year ended September 30, 2023. Please read this analysis in conjunction with the independent auditor's report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City experienced positive financial operations for the 2023 fiscal year, with an increase in the City's net position of $191,297.
- Total revenues for the City were $3,067,044 for the 2023 fiscal year, compared to $3,091,714 in 2022.
- Total expenses for the City were $2,875,747 for the 2023 fiscal year, compared to $2,507,903 in 2022.
- The fund balance for the City's General Fund increased by $673,584 during the 2023 fiscal year, due to increased property tax, sales tax, and grant revenue.
- The net position for the City's Utility Enterprise Fund decreased by $772,881 during the 2023 fiscal year. This is primarily due to the hiring of new water department personnel.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The two statements included in Government-Wide Financial Statements are the Statement of Net Position and the Statement of Activities. The information in these two statements should assist you in assessing the financial health of the City. Additional factors, however, should be used along with this financial information to determine the current and future outlook for the City. These factors may include such things as commercial and industrial growth, availability of natural resources such as water and capital infrastructure (streets, water and sewer lines, treatment plants, etc.) conditions and capacity.

The Statement of Net Position presents financial information that includes 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 as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other nonfinancial factors, such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The Statement of Activities reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

These two statements are divided into two different types of activities:

> Governmental activities – which include the services provided to the citizens for basic health, safety, welfare and administration of the City. These activities are generally funded through property, sales and franchise taxes.
>
> Business-type activities – which include the services provided to the citizens, the cost of which is recouped by user fees charged for the services. These services include water, wastewater and trash services for citizens and businesses.

Fund Financial Statements

The Fund Financial Statements present detailed financial information about the most significant funds of the City, and not of the City as a whole. Some funds are required to be established by law. Other funds are established by management to ensure that certain funds are properly segregated and accounted for. There are three different types of funds: Governmental Funds, Proprietary Funds and Fiduciary Funds.

> ***Governmental Funds*** – Most of the City's basic services are accounted for in governmental funds. This type of fund records the flow of activities based on the currently available resources, called *modified accrual* basis. This method reflects cash resources available during the year and resources that are easily converted to cash within a relatively short period of time after year-end. This method provides a more short-term view of the financial status and results of operations than does Proprietary Funds.
>
> ***Proprietary Funds*** – These funds seek to generate enough revenue through user charges to offset the cost of providing the services to citizens. The *full accrual* basis of accounting used for these types of funds is the same basis used as that in the Government-Wide Financial Statements. This is a longer-term perspective in that it is not limited only to currently available resources, as is Governmental Funds, but rather recognizes resources and obligations in the period in which they arise, regardless of when cash will be received or paid out.
>
> ***Fiduciary Funds*** – The City does not have any Fiduciary Funds.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements present, in narrative form, additional information intended to assist the financial statement readers in understanding the financial information contained in the Basic Financial Statements. Additionally, they provide information about the significant events that may have occurred after the end of the fiscal year, the facts of which may assist a reader in his or her assessment of the overall financial health of the City.

OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole. Comparative presentations have been included in the financial statements included in this report, where practical. We have included comparisons between the last two fiscal years in the Management's Discussion and Analysis.

The City's net position at September 30, 2023 totaled $6,619,922, an increase of $191,297 from September 30, 2022. Most of the City's net position at September 30, 2023 ($3,987,542) is invested in various properties and equipment (buildings, utility systems, police and fire equipment, etc.) owned by the City and is not available to finance current operations of the City. The City's restricted net position at September 30, 2023 is $1,218,888. This amount includes restrictions by debt covenants for debt repayment, for economic development, and by State law and contract agreements. The City's unrestricted net position at September 30, 2023 is $1,413,492; this amount represents the resources that are available for current use by the City.

The table below provides a summary of the City's net position at September 30, 2023 and 2022.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total Government	
	9-30-2023	9-30-2022	9-30-2023	9-30-2022	9-30-2023	9-30-2022
Current and Other Assets	$1,094,742	$ 207,908	$2,162,051	$2,971,091	$3,256,793	$3,178,999
Capital Assets (net)	1,540,942	1,368,834	4,061,372	4,138,276	5,602,314	5,507,110
Total Assets	2,635,684	1,576,742	6,223,423	7,109,367	8,859,107	8,686,109
Deferred Outflows - Pensions	56,382	25,270	20,092	-	76,474	25,270
Deferred Outflows - OPEB	1,924	6,497	685	-	2,609	6,497
	58,306	31,767	20,777	-	79,083	31,767
Long-Term Liabilities	340,264	266,478	1,334,727	1,425,800	1,674,991	1,692,278
Other Liabilities	166,764	147,909	461,120	466,377	627,884	614,286
Total Liabilities	507,028	414,387	1,795,847	1,892,177	2,302,875	2,306,564
Deferred Inflows - Pensions	6,992	37,015	2,491	-	9,483	37,015
Deferred Inflows - OPEB	4,357	4,789	1,553	-	5,910	4,789
	11,349	41,804	4,044	-	15,393	41,804
Net Position						
Net Investment in Capital Assets	1,245,076	1,132,024	2,742,466	2,712,476	3,987,542	3,844,500
Restricted	644,036	439,963	574,852	761,274	1,218,888	1,201,237
Unrestricted	286,501	(419,669)	1,126,991	1,743,440	1,413,492	1,323,771
Total Net Position	$2,175,613	$1,152,318	$4,444,309	$5,217,190	$6,619,922	$6,369,508

The City reported a positive and negative balance in the change in net position for governmental and business-type activities for the year ended September 30, 2023, respectively. Net position increased by $964,178 for governmental activities and decreased by $473,217 for business-type activities.

Governmental activities are financed primarily through taxes (property, sales and franchise) and transfers from other funds (Utility Enterprise Fund). Expenses for governmental activities consist primarily of general government (City administration and code enforcement) and public safety (police, fire and municipal court). These activities comprise the majority of the City's governmental expenditures.

Business-type activities are financed primarily through user charges for water, sewer and sanitation services. Expenses for business-type activities include the operational cost of the water and sewer systems (including personnel costs, contractual costs, operational costs and depreciation) and contractual costs for sanitation services. Additionally, moneys generated by these activities are transferred to the General Fund to finance governmental activities.

The table below provides a summary of the changes in the City's net position for the years ended September 30, 2023 and 2022.

Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Government	
	Year Ended 9-30-2023	Year Ended 9-30-2022	Year Ended 9-30-2023	Year Ended 9-30-2022	Year Ended 9-30-2023	Year Ended 9-30-2022
Program Revenues						
Charges for Services	$ 308,369	$ 207,440	$1,447,550	$1,588,074	$1,755,919	$1,795,514
Operating Grants	80,292	32,025	-	-	80,292	32,025
Capital Grants	162,148	65,618	-	242,706	162,148	308,324
General Revenues						
Property Taxes	415,558	399,906	-	-	415,558	399,906
Sales Taxes	436,946	400,272	-	-	436,946	400,272
Franchise Taxes	81,718	81,202	-	-	81,718	81,202
Interest	-	-	29,033	6,336	29,033	6,336
Other	105,430	68,134	-	-	105,430	68,135
Total Revenues	1,590,461	1,254,597	1,476,583	1,837,116	3,067,044	3,091,714
Program Expenses						
General Government	1,012,909	890,909	-	-	1,012,909	890,909
Library	7,776	8,863	-	-	7,776	8,863
Public Safety	643,095	510,895	-	-	643,095	510,895
Streets	91,062	86,137	-	-	91,062	86,137
Parks and Recreation	6,594	9,326	-	-	6,594	9,326
Development	27,636	56,315	-	-	27,636	56,315
Water and Sewer	-	-	838,645	754,171	838,645	754,171
Sanitation	-	-	248,031	190,417	248,031	190,417
Total Expenses	1,789,071	1,562,445	1,086,676	944,588	2,875,747	2,507,033
Excess Before Transfers	(198,610)	(307,848)	389,907	892,528	191,297	584,681
Transfers	1,162,788	(165,369)	(1,162,788)	165,369	-	-
Change in Net Position	964,178	(473,217)	(772,881)	1,057,897	191,297	584,681
Net Position - Beginning of Year (Restated)	1,211,435	1,625,535	5,217,190	4,159,293	6,428,625	5,784,828
Net Position - End of Year	$2,175,613	$1,152,318	$4,444,309	$5,217,190	$6,619,922	$6,369,508

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison to upcoming financing requirements. Governmental funds reported ending fund balances of $918,825 and $41,168 at September 30, 2023 and 2022, respectively. Of the September 30, 2023 balance, $644,036 is restricted for community and economic development programs and $274,789 is unassigned and available for spending.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Restricted net position of the proprietary funds totaled $574,852 and $761,274 at September 30, 2023 and 2022, respectively. These amounts are restricted by debt covenants for construction of improvements to the wastewater treatment plant and debt repayment of the Series 2007 and Series 2019 certificates of obligation. Unrestricted net position of the proprietary fund is $1,126,991 and $1,743,440 at September 30, 2023 and 2022, respectively; these amounts represent the financial resources that are available to pay the current operating expenses of the proprietary funds.

General Fund Budgetary Highlights

The budgeted expenditures of the General Fund for the 2023 fiscal year totaled $1,734,339 with actual expenditures of $2,015,706, resulting in an excess of expenditures over appropriations in the amount of $281,367, primarily due to capital outlay expenditures. Management has implemented procedures to ensure future compliance with budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2023 was $1,540,942 and $4,061,372, respectively. Capital additions during the current fiscal year included new vehicles and improvements to the drainage system. See Note C for additional information about changes in capital assets during the fiscal year.

Long-Term Debt

At September 30, 2023, the City had outstanding notes and bonds payable of $1,614,772 compared to $1,662,610 at September 30, 2022. See Note D for additional information about changes in long-term debt during the fiscal year.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, creditors and grantors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City Hall, P.O. Box 649, Collinsville, Texas 76233.

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BASIC FINANCIAL STATEMENTS

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City of Collinsville, Texas

STATEMENT OF NET POSITION

September 30, 2023

		Governmental Activities		Business-Type Activities		Total
ASSETS						
Cash and Cash Equivalents	$	924,045	$	1,422,654	$	2,346,699
Investments		-		21,627		21,627
Receivables (net of allowance for uncollectibles)		111,002		186,338		297,340
Internal Balances		57,154		(57,154)		-
Restricted Assets:						
Cash		2,541		588,586		591,127
Capital Assets:						
Nondepreciable		155,035		875,066		1,030,101
Depreciable (net)		1,385,907		3,186,306		4,572,213
Total Assets		2,635,684		6,223,423		8,859,107
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - Pension		56,382		20,092		76,474
Deferred Outflows - OPEB		1,924		685		2,609
Total Deferred Outflows of Resources		58,306		20,777		79,083
LIABILITIES						
Accounts Payable		126,099		54,741		180,840
Accrued Expenses and Taxes		-		18,136		18,136
Customer Deposits		-		183,642		183,642
Unearned Revenue		-		186,032		186,032
Accrued Compensated Absences		40,665		4,835		45,500
Payable from Restricted Assets:						
Accrued Interest		-		13,734		13,734
Long-Term Liabilities:						
Net Pension Liability		25,456		9,071		34,527
Total OPEB Liability		18,942		6,750		25,692
Debt Due Within One Year		53,712		232,610		286,322
Debt Due Beyond One Year		242,154		1,086,296		1,328,450
Total Liabilities		507,028		1,795,847		2,302,875
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension		6,992		2,491		9,483
Deferred Inflows - OPEB		4,357		1,553		5,910
Total Deferred Inflows of Resources		11,349		4,044		15,393
NET POSITION						
Net Investment in Capital Assets		1,245,076		2,742,466		3,987,542
Restricted:						
Community / Economic Development		644,036		-		644,036
Debt Repayment		-		574,852		574,852
Unrestricted		286,501		1,126,991		1,413,492
Total Net Position	$	2,175,613	$	4,444,309	$	6,619,922

The accompanying notes are an integral part of these financial statements.

City of Collinsville, Texas

STATEMENT OF ACTIVITIES

Year Ended September 30, 2023

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	$ 1,012,909	$ -	$ 59,992	$ -
Library	7,776	-	-	-
Public Safety	631,996	124,029	20,300	-
Parks and Recreation	6,594	-	-	-
Community/Economic Development	27,636	-	-	-
Streets	91,062	184,340	-	162,148
Interest	11,099	-	-	-
Total Governmental Activities	1,789,071	308,369	80,292	162,148
Business-Type Activities				
Water and Sewer	838,645	1,209,640	-	-
Sanitation	248,031	237,910	-	-
Total Business-Type Activities	1,086,676	1,447,550	-	-
Total Primary Government	$ 2,875,747	$ 1,755,919	$ 80,292	$ 162,148

General Revenues

Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Other

Interest

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, as Restated

Net Position - End of Year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business Type Activities	Total
$ (952,917)		$ (952,917)
(7,776)		(7,776)
(487,667)		(487,667)
(6,594)		(6,594)
(27,636)		(27,636)
255,426		255,426
(11,099)		(11,099)
(1,238,262)		(1,238,262)
	$ 370,995	370,995
	(10,121)	(10,121)
	360,874	360,874
(1,238,262)	360,874	(877,388)
415,558	-	415,558
436,946	-	436,946
81,718	-	81,718
105,430	-	105,430
-	29,033	29,033
1,162,788	(1,162,788)	-
2,202,440	(1,133,755)	1,068,685
964,178	(772,881)	191,297
1,211,435	5,217,190	6,428,625
$ 2,175,613	$ 4,444,309	$ 6,619,922

City of Collinsville, Texas

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2023

	General Fund	Sales Tax (4A and 4B) Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	$ 314,374	$ 609,671	$ 924,045
Receivables (net of allowance for uncollectibles):			
Sales Taxes	34,671	34,671	69,342
Property Taxes	9,252	-	9,252
Court	32,408	-	32,408
Restricted Assets:			
Cash	2,541	-	2,541
Due From Other Funds	57,154	378	57,532
Total Assets	$ 450,400	$ 644,720	$ 1,095,120
Liabilities			
Accounts Payable and Accrued Expenses	$ 125,415	$ 684	$ 126,099
Due To Other Funds	378	-	378
Total Liabilities	125,793	684	126,477
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	9,252	-	9,252
Unavailable Revenue - Court	40,566	-	40,566
Total Deferred Inflows of Resources	49,818	-	49,818
Fund Balances			
Restricted for:			
Community/Economic Development	-	644,036	644,036
Unassigned	274,789	-	274,789
Total Fund Balances	274,789	644,036	918,825
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 450,400	$ 644,720	$ 1,095,120

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total Fund Balances - Governmental Funds	$ 918,825
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	1,540,942
Long-term liabilities and accrued compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(336,531)
Net pension/OPEB liability and deferred outflows / inflows of resources of the multiple-employer pension plan and OPEB plan to which the City contributes are not financial resources and, therefore, are not reported in governmental funds.	2,559
Revenues not collected in the current period are not recognized in the governmental funds but are recognized as revenues in the government-wide statements.	49,818
Net Position of Governmental Activities	$ 2,175,613

The accompanying notes are an integral part of these financial statements.

City of Collinsville, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended September 30, 2023

	General Fund	Sales Tax (4A and 4B) Fund	Total Governmental Funds
Revenues			
Property Taxes	$ 414,366	$ -	$ 414,366
Sales Taxes	212,861	224,085	436,946
Fees and Permits	184,340	-	184,340
Contributions and Grants	242,440	-	242,440
Fines and Forfeitures	109,891	-	109,891
Franchise Fees	81,718	-	81,718
Other	86,006	7,624	93,630
Total Revenues	1,331,622	231,709	1,563,331
Expenditures			
Current:			
General Government	946,087	-	946,087
Public Safety	553,991	-	553,991
Streets and Public Works	74,541	-	74,541
Community/Economic Development	-	27,636	27,636
Library	9,354	-	9,354
Parks and Recreation	3,272	-	3,272
Capital Outlay	293,338	-	293,338
Debt Service:			
Principal	47,139	-	47,139
Interest	11,098	-	11,098
Total Expenditures	1,938,820	27,636	1,966,456
Excess (Deficiency) of Revenues over Expenditures	(607,198)	204,073	(403,125)
Other Financing Sources (Uses)			
Proceeeds from the Issuance of Debt	106,194	-	106,194
Proceeds from the Sale of Assets	11,800	-	11,800
Transfers In	1,239,674	-	1,239,674
Transfers Out	(76,886)	-	(76,886)
Total Other Financing Sources (Uses)	1,280,782	-	1,280,782
Net Change in Fund Balances	673,584	204,073	877,657
Fund Balances - Beginning of Year	(398,795)	439,963	41,168
Fund Balances - End of Year	$ 274,789	$ 644,036	$ 918,825

The accompanying notes are an integral part of these financial statements.

City of Collinsville, Texas

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended September 30, 2023

Total Net Change in Fund Balances - Governmental Funds	$	877,657
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.		293,338
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources.		(180,347)
Long-term debt principal payments are expenditures in the fund financial statements, but they are shown as reductions in long-term debt in the government-wide financial statements.		47,139
Long-term debt issuance are financing sources in the fund financial statements, but they are shown as additions to long-term debt in the government-wide financial statements.		(106,194)
Some expenditures in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported in the governmental funds. Net decrease in compensated absences and interest expense in the Statement of Activities.		10,153
Recognition of pension plan accounting and reporting in accordance with GASB 68 and 75 creates timing differences, whereby certain pension and OPEB transactions are recognized in governmental funds but not in the government-wide financial statements.		7,103
Various other reclassifications and eliminations to convert from the modified accrual basis of accounting to the accrual basis of accounting, such as recognizing unavailable revenue as revenue and recognizing the change in accrued compenstated absences.		15,329
Change in Net Position of Governmental Activities	$	964,178

The accompanying notes are an integral part of these financial statements.

City of Collinsville, Texas

STATEMENT OF NET POSITION - PROPRIETARY FUND

September 30, 2023

	Enterprise
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 1,422,654
Investments	21,627
Accounts Receivable	186,338
Restricted Assets:	
Cash	588,586
Due From Other Funds	271,726
Total Current Assets	2,490,931
Capital Assets:	
Land	875,066
Buildings, Plant and Equipment, net of depreciation	3,186,306
Net Capital Assets	4,061,372
Total Assets	6,552,303
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Pension	20,092
Deferred Outflows - OPEB	685
Total Deferred Outflows of Resources	20,777
LIABILITIES	
Current Liabilities:	
Accounts Payable	54,741
Accrued Expenses and Taxes	18,136
Customer Deposits	183,642
Accrued Compensated Absences	4,835
Unearned Revenue	186,032
Payable from Restricted Assets:	
Accounts Payable	
Accrued Interest	13,734
Current Portion of Long-Term Debt	232,610
Due to Other Funds	328,880
Total Current Liabilities	1,022,610
Long-Term Liabilities:	
Certificates of Obligation - net of current portion	1,086,296
Net Pension Liability	9,071
Total OPEB Liability	6,750
Total Long-Term Liabilities	1,102,117
Total Liabilities	2,124,727
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Pension	2,491
Deferred Inflows - OPEB	1,553
Total Deferred Inflows of Resources	4,044
NET POSITION	
Net Investment in Capital Assets	2,742,466
Restricted for:	
Debt Repayment	574,852
Unrestricted	1,126,991
Total Net Position	$ 4,444,309

The accompanying notes are an integral part of these financial statements.

City of Collinsville, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended September 30, 2023

	Enterprise
Operating Revenues	
Charges for Services:	
Water	$ 797,825
Sewer	385,652
Sanitation	237,910
Other	26,163
Total Operating Revenues	1,447,550
Operating Expenses	
Water and Sewer:	
Personnel Services	235,612
Utilities	88,601
Supplies and Materials	139,606
Repairs and Maintenance	61,267
Other Costs	79,198
Sanitation:	
Contractual Expenses	248,031
Depreciation	177,786
Total Operating Expenses	1,030,101
Net Income from Operations	417,449
Nonoperating Revenues (Expenses)	
Interest and Miscellaneous Income	29,033
Interest Expense	(56,575)
Total Nonoperating Revenues (Expenses)	(27,542)
Income (loss) before Contributions and Transfers	389,907
Transfers In	231,323
Transfers Out	(1,394,111)
Change in Net Position	(772,881)
Net Position - Beginning of Year	5,217,190
Net Position - End of Year	$ 4,444,309

The accompanying notes are an integral part of these financial statements.

City of Collinsville, Texas

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

Year Ended September 30, 2023

	Enterprise
Cash Flows from Operating Activities	
Cash Received from Customers	$ 1,496,156
Cash Payments to Suppliers for Goods and Services	(646,124)
Cash Received From Other Funds	908,632
Cash Payments to Employees for Services	(234,836)
Net Cash Flows from Operating Activities	1,523,828
Cash Flows from Noncapital Financing Activities	
Transfers In	231,323
Transfers Out	(1,394,111)
Net Cash Flows from Noncapital Financing Activities	(1,162,788)
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(5,276)
Principal Paid on Long-Term Debt	(202,500)
Interest Paid on Long-Term Debt	(54,111)
Net Cash Flows from Capital and Related Financing Activities	(261,887)
Cash Flows from Investing Activities	
Interest Income and other non operating	29,033
Net Cash Flows from Investing Activities	29,033
Net Increase in Cash and Restricted Cash	128,186
Cash and Restricted Cash - Beginning of Year	1,883,054
Cash and Restricted Cash - End of Year	$ 2,011,240

Reconciliation of Net Income from Operations to Net Cash Flows

Net Income from Operations	$ 417,449
Adjustments to Reconcile Net Income from Operations to Net Cash Flows from Operating Activities:	
Depreciation Expense	177,786
(Increase) Decrease in:	
Accounts Receivable	28,594
Due From Other Funds	865,931
Deferred Outflows of Resources	(20,777)
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	29,421
Unearned Revenue	(57,154)
Customer Deposits	20,012
Due To Other Funds	42,701
Net Pension Liability	9,071
Total OPEB Liability	6,750
Deferred Inflows of Resources	4,044
Net Cash Flows from Operating Activities	$ 1,523,828

The accompanying notes are an integral part of these financial statements.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting framework and the more significant accounting principles and practices of the City of Collinsville, Texas (City) are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the year ended September 30, 2023.

Reporting Entity

Government Accounting Standards Board (GASB) Statement No. 14, as amended, establishes the standards for defining and reporting on the financial reporting entity. This statement defines the financial reporting entity as consisting of (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A primary government is financially accountable for those organizations if the primary government appoints a voting majority of an organization's governing body, and either it can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The Volunteer Fire Department is a related organization that is not included within the financial reporting entity. The Volunteer Fire Department is a separate legal organization that is governed by officers selected by the members of the organization and, therefore, does not meet the criteria for inclusion within the City's financial reporting entity. However, the City does provide funds to the organization and maintain title and insurance on equipment.

The Collinsville Economic & Industrial Development Corporations (4A & 4B) are related organizations that are included in these financial statements as blended component units of the primary government. The 4A & 4B are separate legal organizations, but the City Council is responsible for appointing board members and has overall fiscal responsibility for them. The 4A & 4B were formed after the citizens approved Section 4A and 4B sales taxes under the Development Act of 1979. The proceeds from these sales taxes are to be used for industrial and economic development of the City.

Basis of Presentation

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the nonfiduciary activities of the City with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes (property, sales and franchise) and other revenues (fines, fees, permits, etc.). *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A *function* is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Program revenues* include 1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; 2) operating grants and contributions which finance annual operating activities; and 3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories – governmental and proprietary. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as material, labor and direct overhead. Other expenses are non-operating.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP).

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied while fines, fees and similar items are recognized when collected.

Governmental fund financial statements are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City uses a 60-day availability period for revenue recognition for all governmental fund revenues. Expenditures are generally recorded when the liability is incurred. Exceptions to this general rule are: (1) principal and interest on long-term debt which are recognized only when these amounts are due; (2) prepaid expenses which are recorded when expended even if the expenditure is applicable to more than one fiscal year; and (3) accumulated unpaid vacation leave and sick pay which are not accrued.

Major revenue sources susceptible to accrual include property taxes and other taxes held in the hands of intermediary collecting agencies. Fines and fees assessed but not collected are not considered measurable and are not recognized until collected. Property taxes not collected in the current period are not considered available and the revenue is deferred until collected.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Fund Types and Major Funds

The City reports the following major governmental funds:

General Fund – This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund. Major revenue sources include taxes (property, sales and franchise), fines and forfeitures, and fees and permits. Expenditures include all costs associated with the daily operations of the City except for specific programs funded by other sources.

Sales Tax (4A and 4B) Fund – This Special Revenue Fund is used to account for the receipts and expenditures of Section 4A and 4B sales taxes of the Collinsville Economic & Industrial Development Corporations, which are presented as a blended component unit.

The City reports the following major proprietary fund:

Enterprise Fund - The Enterprise Fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises or where it has been decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City's water, wastewater (sewer) and sanitation services are accounted for in this fund.

Budgeting

A budget is adopted annually by the City Council for the General, Enterprise, and Sales Tax (4A and 4B) Funds of the City. After adoption, the budget may be amended by a majority vote of the City Council.

Excess of Expenditures Over Appropriations

For the year ended September 30, 2023, the General Fund exceeded appropriations at the legal level of control in the amount of $277,447. The 4A and 4B Board also exceeded appropriations at the legal level of control in the amount of $27,636. The City and the 4A and 4B Boards have implemented procedures to monitor budget and ensure compliance.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and demand and time deposit accounts at local financial institutions.

For purposes of the Statement of Cash Flows (proprietary fund types), the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property Tax Revenues

Property taxes are levied on October 1 each year and become delinquent on February 1. Delinquent real property taxes are expected to be collected as the delinquent amounts form a lien against the related property until paid. Revenue from property taxes not collected during the current period is deferred until such collection is made.

Property subject to taxation consists of real property and certain personal property situated in the City. Certain properties of religious, educational and charitable organizations, as well as the Federal government and the State of Texas, are exempt from taxation. Additionally, certain exemptions are granted to property owners in arriving at the net assessed valuation of property subject to City taxation.

Net Assessed Value, 2022 Tax Roll	$ 144,008,490
2022 Tax Rate (per $100 Valuation)	$ 0.289640
Total Tax Levy - 2022 (FY23)	$ 417,106

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The City's policy is to capitalize real or personal property with a value equal to or greater than $1,000 and an estimated life of greater than two years. Expenditures for maintenance and repairs that do not add to the value of the assets or materially extend their lives are expensed as incurred. However, expenditures for repairs and improvements that materially add to the value or life of an asset are capitalized.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives range from three (3) for electronic equipment to forty (40) years for buildings and water / sewer systems.

Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, long-term liabilities are not recorded as the payment of the obligations will not be made by current financial resources.

Accumulated Vacation, Sick Pay and Other Employee Benefit Amounts

City employees accrue one week of vacation leave after one year of service and two weeks of vacation leave per year after two years of service. Accumulated unpaid vacation has been accrued as of September 30, 2023 and is $40,665 for governmental activities and $4,835 for business-type activities.

Pensions and Other Postemployment Benefits (OPEB)

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

Information regarding the City's Total Pension Liability and Total OPEB Liability is obtained from the TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68. Accounting and Financial Reporting for Pensions and GASB No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Restricted Resources

When the City incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.

Estimates

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

Fund Equity

The City presents its governmental fund balances in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

> <u>Nonspendable fund balance</u> – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
>
> <u>Restricted fund balance</u> – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
>
> <u>Committed fund balance</u> – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint.
>
> <u>Assigned fund balance</u> – amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
>
> <u>Unassigned fund balance</u> – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

NOTE B - CASH AND INVESTMENTS

Authorized Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, money market savings accounts, certain municipal securities, repurchase agreements, common trust funds and other investments specifically allowed by Chapter 2256 Public Funds Investment and Chapter 2257 Collateral for Public Funds of the Government Code.

Deposits and Investments

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be 100% secured by collateral valued at market less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2023, the City's deposits were not subject to custodial credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy provides that, to the extent practicable, the investments are matched with anticipated cash flows. As of September 30, 2023, the City's investments are not subject to interest rate risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investments in a single issuer. Cumulatively, no more than 5% of the total City portfolio may be placed with any single financial institution or issuer. This risk does not apply to U.S. Government securities or investments in an external investment pool. As of September 30, 2023, the City's investments are not subject to concentration of credit risk.

The City's investments at September 30, 2023 are shown below:

Name	Cost	Fair Value	Credit Rating	Maturity
Pooled Investments:				
Texpool	$ 322	$ 322	AAAm	< 1 Year

The City categorizes the fair value of its pooled investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City's pooled investments (based on information provided by the plan sponsor) are categorized as Level 2 inputs.

Restricted Cash and Investments

The City's Utility Enterprise Fund has restricted a portion of its cash and investments to comply with debt covenants related to its Combination and Revenue Certificates of Obligation, Series 2007 and Series 2019. Proceeds from the issuance of this debt, plus interest and investment income, are restricted for the construction of improvements to the City's wastewater treatment plant. Additionally, a portion of the revenues from the City's water and sewer system are restricted for the payment of principal and interest on this debt. The following schedule summarizes the portion of cash and investments that have been restricted for these purposes at September 30, 2023:

Restricted for	Cash
Debt Repayment	588,586
Total	$ 588,586

NOTE C - CAPITAL ASSETS

The following table provides a summary of changes in capital assets for the primary government for the year ended September 30, 2023:

	Balance Sept 30, 2022	Additions	Retirements	Balance Sept 30, 2023
Governmental Activities				
Capital Assets, Not Depreciated				
Land	$ 135,350	$ -	$ -	$ 135,350
Construction in Progress	132,541	162,144	275,000	19,685
Total Capital Assets, Not Depreciated	267,891	162,144	275,000	155,035
Capital Assets, Depreciated				
Buildings	405,606	25,000	-	430,606
Other Improvements	566,932	275,000	-	841,932
Machinery and Equipment	698,878	-	-	698,878
Vehicles	825,193	106,194	21,000	910,387
Total Capital Assets, Depreciated	2,496,609	406,194	21,000	2,881,803
Less Accumulated Depreciation				
Buildings	175,845	31,434	-	207,279
Other Improvements	271,334	41,850	-	313,184
Machinery and Equipment	354,678	47,632	-	402,310
Vehicles	534,692	59,431	21,000	573,123
Total Accumulated Depreciation	1,336,549	180,347	21,000	1,495,896
Net Capital Assets, Depreciated	1,160,060	225,847	-	1,385,907
Net Capital Assets, Governmental Activities	$ 1,427,951	$ 387,991	$ 275,000	$ 1,540,942

	Balance Sept 30, 2022	Additions	Retirements	Balance Sept 30, 2023
Business-Type Activities				
Capital Assets, Not Depreciated				
Land	$ 486,621	$ -	$ -	$ 486,621
Water Rights	388,445	-	-	388,445
Total Capital Assets, Not Depreciated	875,066	-	-	875,066
Capital Assets, Depreciated				
Water and Sewer System	6,032,880	-	-	6,032,880
Machinery and Equipment	192,768	100,882	-	293,650
Total Capital Assets, Depreciated	6,225,648	100,882	-	6,326,530
Less Accumulated Depreciation				
Water and Sewer System	2,862,263	161,907	-	3,024,170
Machinery and Equipment	100,175	15,879	-	116,054
Total Accumulated Depreciation	2,962,438	177,786	-	3,140,224
Net Capital Assets, Depreciated	3,263,210	(76,904)	-	3,186,306
Net Capital Assets, Business-Type Activities	3,651,655	(76,904)	-	4,061,372
Net Capital Assets - Total City	$ 5,079,606	$ 311,087	$ 275,000	$ 5,602,314

Depreciation expense was charged to functions / programs for the year ended September 30, 2023, as follows:

Governmental Activities	
Public Safety	$ 78,005
General Government	80,921
Streets	18,099
Community Development	3,322
Total Governmental Activities	180,347
Proprietary Activities	
Water and Sewer	177,786
Depreciation Expense - Total	$ 358,133

NOTE D - LONG-TERM DEBT

The following is a summary of changes in indebtedness of the City for the year ended September 30, 2023:

	Balance Sept 30, 2022	Issued	Retired	Balance Sept 30, 2023	Due Within One Year
Governmental Activities					
Time Warrant					
Police Vehicle #1	$ 3,415	$ -	$ 3,415	$ -	$ -
Note Payable Obligations					
Ferrara Fire Truck	150,447	-	16,334	134,113	16,983
Ford Truck S-Duty F250 Dump Trailer	14,600	-	14,600	-	-
Ford F450	68,348	-	12,789	55,559	13,223
Chevy Tahoe (4WD)	-	71,920	-	71,920	12,686
Ford Truck S-Duty F250	-	34,274	-	34,274	10,820
Net Pension Liability	-	25,456	-	25,456	-
Total OPEB Liability	29,668	-	10,726	18,942	-
Accrued Compensated Absences	50,818	40,665	50,818	40,665	40,665
Total Governmental Activities	317,296	172,315	108,682	380,929	94,377
Business-Type Activities					
Bonds Payable					
Series 2007 Combination Tax & Revenue	1,075,000	-	160,000	915,000	165,000
Series 2019 Combination Tax & Revenue	157,000	-	20,000	137,000	21,000
Series 2010 GTUA Contract Revenue	193,800	-	22,500	171,300	23,100
Note Payable Obligations					
Sewer Jet	-	95,606	-	95,606	23,510
Net Pension Liability	-	9,071	-	9,071	-
Total OPEB Liability	-	6,750	-	6,750	-
Accrued Compensated Absences	-	4,835	-	4,835	4,835
Total Business-Type Activities	1,425,800	116,262	202,500	1,339,562	237,445
Total	$ 1,722,217	$ 288,577	$ 311,182	$ 1,720,491	$ 331,822

Time Warrant

On November 13, 2019, the City approved the issuance of time warrants in the amount of $56,000 with a local financial institution to pay for the purchase of a vehicle and related equipment for the Police Department. This obligation is scheduled to be repaid over a three-year period at an interest rate of 4.35%. This was paid off during the fiscal year.

Note Payable Obligations

On June 29, 2015, the City executed a financed purchase agreement in the amount of $252,000 with Government Capital Corporation to pay a portion of the acquisition cost for a 2013 Model Ferrara Fire Truck for the City's volunteer fire department; the total acquisition cost was $300,000. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's General Fund with property tax revenues. Annual payments of $22,306 are required through February 2030 at an implicit interest rate of 3.972%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

On December 14, 2020, the City executed a financed purchase agreement in the amount of $43,100 with Government Capital Corporation to pay a portion of the acquisition cost for a 2020 Ford Truck F-250 and a 2021 Dump Trailer. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's General Fund with property tax revenues. Annual payments of $15,287 are required through February 2023 at an implicit interest rate of 4.698%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals. This was paid off during the fiscal year.

On October 11, 2021, the City executed a financed purchase agreement in the amount of $68,439 with Government Capital Corporation to pay a portion of the acquisition cost for a 2022 Ford Truck F-450. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's General Fund with property tax revenues. Annual payments of $15,114 are required through November 2026 at an implicit interest rate of 3.398%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

On June 12, 2023, the City executed a financed purchase agreement in the amount of $71,920 with American Leasing Company to pay a portion of the acquisition cost for a 2023 Chevy Tahoe. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's General Fund with property tax revenues. Annual payments of $17,193 are required through June 2028 at an implicit interest rate of 6.25%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

On February 7, 2023, the City executed a financed purchase agreement in the amount of $34,274 with American National Leasing Company to pay a portion of the acquisition cost for a 2022 Ford Truck F-250. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's General Fund with property tax revenues. Annual payments of $12,705 are required through June 2028 at an implicit interest rate of 5.50%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

On March 13, 2023, the City executed a financed purchase agreement in the amount of $95,606 with Government Capital Corporation to pay a portion of the acquisition cost for a Sewer Jet. This qualifies as a financed purchase because ownership is transferred to the City when the lease expires. This will be paid by the City's Water Fund with water and sewer revenue. Annual payments of $27,352 are required through October 2026 at an implicit interest rate of 3.762%. This note payable does not impose any restrictions upon the City nor provide any contingent rentals.

Estimated debt service requirements for all notes payable for governmental and business type activities as of September 30, 2022 are as follows:

	Governmental Activities			Business Type Activities		
Fiscal Years Ending	Principal	Interest	Total	Principal	Interest	Total
September 30, 2024	$ 53,712	$ 13,607	$ 67,319	$ 23,510	$ 3,843	$ 27,353
September 30, 2025	56,232	11,086	67,318	22,478	4,875	27,353
September 30, 2026	58,873	8,446	67,319	23,998	3,355	27,353
September 30, 2027	48,935	5,678	54,613	25,620	1,732	27,352
September 30, 2028	36,025	3,474	39,499	-	-	-
September 30, 2029 - 2030	42,089	2,524	44,613	-	-	-
Totals	$ 295,866	$ 44,815	$ 340,681	$ 95,606	$ 13,805	$ 109,411

Bonds Payable

On November 15, 2007, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2007 in the amount of $2,660,000 to finance improvements to the City's wastewater treatment plant. These certificates bear interest at 4.76%, which is payable each June 15 and December 15. Principal payments (ranging from $80,000 to $200,000) are due on December 15, 2008 through 2027. Revenues of the water and sewer system are pledged to make these principal and interest payments.

In May 2009, the City, with the Greater Texoma Utility Authority (GTUA), issued Contract Revenue Bonds in the original principal amount of $424,600 for the purpose of acquiring Lake Texoma water storage rights. Certain revenues of the City's Utility Enterprise Fund are pledged to the payment and security of the bonds issued by GTUA. These bonds have an interest rate of 0.085% - 2.487%, with interest payments due February 15 and August 15 each year. Principal is paid annually, on August 15 through the maturity date of August 15, 2030.

On January 1, 2019, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2019 in the amount of $213,000 to finance improvements to the City's water and sewer infrastructure. These certificates bear interest at 3.61%, which is payable each June 15 and December 15. Principal payments (ranging from $18,000 to $25,000) are due on January 15, 2020 through 2029. Revenues of the water and sewer system are pledged to make these principal and interest payments.

Debt service requirements for contract revenue bonds and certificates of obligation at September 30, 2023 are as follows:

	Business-Type Activities		
Fiscal Years Ending	Principal	Interest	Total
September 30, 2024	$ 209,100	$ 48,274	$ 257,374
September 30, 2025	220,700	38,923	259,623
September 30, 2026	231,300	19,759	251,059
September 30, 2027	237,900	18,750	256,650
September 30, 2028	249,500	8,032	257,532
September 30, 2029 - 2031	74,800	2,430	77,230
Totals	$ 1,223,300	$ 136,168	$ 1,359,468

NOTE E - NET POSITION / FUND EQUITY

Governmental Funds

The City reports the fund balance of its General Fund as Unassigned and the fund balances of its Sales Tax (4A and 4B) Fund as Restricted. The fund balance of the Sales Tax (4A and 4B) Fund is restricted by State law for community and economic development projects.

Proprietary Funds

The City records certain reserve accounts in its Utility Enterprise Fund to indicate that a portion of net position are legally segregated for a specific use.

> Debt Repayment – Debt covenants require a portion of the revenues from the City's water and sewer system to be set aside to accumulate moneys to pay future principal and interest on the City's Combination Tax and Revenue Certificates of Obligation, Series 2007 and Series 2019.

NOTE F - RETIREMENT PLAN

Plan Description

The City participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the 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 Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the City Council, 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 can choose to receive their retirement benefit in one of seven payment 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 seventy five percent (75%) of the members' deposit and interest.

Plan provisions for the City were as follows:

Employee Deposit Rate	6%
Matching Ratio (city to employee)	2 to 1
Years required for vesting	10
Service retirement eligibility	
(expressed as age / years of service)	60/10, 0/25
Updated service credit	0%
Annuity increase (to retirees)	0% of CPI

At the December 31, 2022 valuation and measurement date, the following employees of the City were covered by the benefit terms:

Employees Covered by Benefit Terms	
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	4
Active employees	12
Total	23

Contributions

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

Employees of the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 5.35% and 6.45% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were $50,981 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) or Net Pension Asset (NPA) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll Growth	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%

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 is 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.

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. They 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 in order to satisfy the short-term and long-term funding needs of TMRS.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public and Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
Total	100.0%	

Discount Rate

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2021	$ 591,790	$ 626,951	$ (35,161)
Changes for the Year:			
Service cost	60,928	-	60,928
Interest	40,905	-	40,905
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(15,468)	-	(15,468)
Changes of assumptions	-	-	-
Contributions - employer	-	32,387	(32,387)
Contributions - employee	-	30,063	(30,063)
Net investment income	-	(45,850)	45,850
Benefit payments, incl. refunds of employee contributions	(32,503)	(32,503)	-
Administrative expense	-	(396)	396
Other changes	-	473	(473)
Net Changes	53,862	(15,826)	69,688
Balance at December 31, 2022	$ 645,652	$ 611,125	$ 34,527

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net Pension Liability (Asset)	$ 117,398	$ 34,527	$ (33,906)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2023, the City recognized pension expense of $47,753.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred (Inflows) of Resources**
Difference between expected and actual economic experience	$ -	$ (9,483)
Change in actuarial assumptions	141	-
Difference between projected and actual investment earnings	40,673	-
Contributions subsequent to the measurement date	35,660	-
Total	$ 76,474	$ (9,483)

The $35,660 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will reduce the net pension liability during the year ending September 30, 2024. The other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Net Deferred Outflows (Inflows) of Resources
2024	$ 591
2025	6,149
2026	6,958
2027	17,633
2028	-
Thereafter	-
	$ 31,331

NOTE G - OTHER POST-EMPLOYMENT BENEFITS

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. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

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 another postemployment benefit ("OPEB") and is a fixed amount of $7,500.

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	5
Inactive employees entitled to but not yet receiving benefits	0
Active employees	12
Total	17

Contributions

The member 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.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

Contribution rates to the SDBF for the City were 0.33% and 0.48% for calendar years 2022 and 2023, respectively. The City's contributions to the SDBF for the year ended September 30, 2023, were $3,228, and were equal to the required contributions.

Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 11.5%, including inflation
Discount rate	4.05%

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. Mortality rates for disabled retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2019; valuation was developed primarily from an actuarial experience study of the four-year period from December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the Entry Age Normal Actuarial Cost Method.

The discount rate used to measure the Total OPEB Liability was 4.05% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2021	$ 29,668
Changes for the year:	
Service cost	4,159
Interest on Total OPEB Liability	574
Change of benefit terms	-
Difference between expected and actual experience	2,457
Changes of assumptions or other inputs	(10,064)
Benefit payments	(1,102)
Net changes	$ (3,976)
Balance at 12/31/2022	$ 25,692

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, 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%) or 1 percentage-point higher (5.05%) than the current rate:

	1% Decrease 3.05%	Current Discount Rate 4.05%	1% Increase 5.05%
Total OPEB Liability	$ 29,636	$ 25,692	$ 22,520

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended September 30, 2023, the City recognized OPEB expense of $7,064.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Change in actuarial assumptions	$ -	$ (4,244)
Difference between expected and actual economic experience	-	(1,666)
Contributions subsequent to the measurement date	2,609	-
	$ 2,609	$ (5,910)

The $2,609 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2024. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	Net Deferred Outflows (Inflows) of Resources
2024	$ (1,024)
2025	(1,208)
2026	(1,418)
2027	(1,528)
2028	(732)
Thereafter	-
Total	$ (5,910)

NOTE H - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers are defined as "flows of assets without equivalent flows of assets in return and without a requirement for repayment." The City made the following interfund transfer during the fiscal year ended September 30, 2023:

The Utility Enterprise Fund paid the General Fund $1,162,788 in operating transfers to assist the General Fund with expenditures during the year.

Additionally, the City had Internal Balances of $57,154 as of the fiscal year end. The City's proprietary fund owes the governmental fund money related to the CSLFRF funds.

NOTE I – PRIOR PERIOD ADJUSTMENT

During fiscal year 2023, the City noted that there was an ongoing capital improvement project to improve the drainage in the City. Prior year expenditures were not classified as capital outlay and the asset addition was not recorded in governmental activities. The effect on beginning net position is shown below.

	Governmental Activities
Ending net position, as previously reported at September 30, 2022	$ 1,152,318
Adjustments to add an asset that was CIP in the previous period.	59,117
Ending net position, as restated at September 30, 2022	$ 1,211,435

NOTE J - COMMITMENTS AND CONTINGENCIES

Contingencies

The City receives a portion of its revenues from government grants and contracts, all of which are subject to audit by federal and state agencies. As a result, there exists a contingency to refund any amount received in excess of allowable costs. The amount, if any, of expenses which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE K - 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 natural disasters. The City purchases commercial insurance through the Texas Municipal League. The City retains no risk of loss for these coverages. The City accounts for risk management issues in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

NOTE L – RELATED PARTY TRANSACTIONS

A company, related to a former 4B Director, Patterson Professional Services, was paid $19,198 during the year ended September 30, 2023, for water and sewer management.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions that occurred after September 30, 2023, up through the date of the auditor’s report on page one. This is the date the financial statements were available for issuance. There are no subsequent events to disclose.

REQUIRED SUPPLEMENTARY INFORMATION

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City of Collinsville, Texas

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

Year Ended September 30, 2023

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues				
Property Taxes	$ 522,000	$ 522,000	$ 414,366	$ (107,634)
Sales Taxes	126,943	126,943	212,861	85,918
Fees and Permits	122,480	122,480	184,340	61,860
Contributions and Grants	18,000	18,000	242,440	224,440
Fines and Forfeitures	104,500	104,500	109,891	5,391
Franchise Fees	65,000	65,000	81,718	16,718
Other	14,250	33,087	86,006	52,919
Total Revenues	973,173	992,010	1,331,622	339,612
Expenditures				
Current:				
General Government	727,720	746,557	946,087	(199,530)
Public Safety	544,280	537,581	553,991	(16,410)
Streets and Public Works	277,760	277,760	74,541	203,219
Library	12,420	12,420	9,354	3,066
Parks and Recreation	8,500	8,500	3,272	5,228
Capital Outlay	-	-	293,338	(293,338)
Debt Service:				
Principal	82,200	80,555	47,139	33,416
Interest	-	-	11,098	(11,098)
Total Expenditures	1,652,880	1,663,373	1,938,820	(275,447)
Excess (Deficiency) of Revenues over Expenditures	(679,707)	(671,363)	(607,198)	64,165
Other Financing Sources (Uses)				
Proceeeds from the Issuance of Debt	-	-	106,194	106,194
Proceeds from the Sale of Assets	13,000	13,000	11,800	(1,200)
Transfers In	269,745	269,745	1,239,674	969,929
Transfers Out	(71,300)	(71,300)	(76,886)	(5,586)
Total Other Financing Sources (Uses)	211,445	211,445	1,280,782	1,069,337
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(468,262)	(459,918)	673,584	$ 1,133,502
Fund Balances - Beginning of Year	(398,795)	(398,795)	(398,795)	
Fund Balances - End of Year	$ (867,057)	$ (858,713)	$ 274,789	

City of Collinsville, Texas

SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN - TMRS [1]

Last Ten Fiscal Years

	Year Ended September 30, 2023	2022	2021	2020
Actuarially Determined Contribution	$ 50,981	$ 30,410	$ 19,089	$ 21,156
Contributions in Relation to the Actuarially Determined Contribution	50,981	30,410	19,089	21,156
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 731,080	$ 474,514	$ 383,127	$ 389,613
Contributions as a Percentage of Covered Payroll	6.97%	6.41%	4.98%	5.43%

Notes to Schedules of Contributions to Pension Plan

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only avaliable information is shown.

Valuation Date Actuarially determined contribution rates are calculated as of December 31 and become effective 13 months later (in January).

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	11 years
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5%, 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-retiremet: 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	There were no benefit changes during the year.

	Year Ended September 30,				
	2019	2018	2017	2016	2015
	$ 20,933	$ 19,261	$ 12,455	$ 1,819	$ 973
	20,933	19,261	12,455	1,819	973
	$ -	$ -	$ -	$ -	$ -
	$ 386,372	$ 365,767	$ 306,517	$ 297,223	$ 280,177
	5.42%	5.27%	4.06%	0.61%	0.35%

City of Collinsville, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - TMRS[1]

Last Ten Measured Years

	Year Ended December 31, 2022	2021	2020	2019
Total Pension Liability				
Service Cost	$ 60,928	$ 42,492	$ 38,294	$ 44,646
Interest (on the Total Pension Liability)	40,905	37,556	34,349	31,120
Change in Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	(15,468)	(7,267)	9,871	7,385
Changes of Assumptions	-	-	-	589
Benefit Payments, incl. Refunds of Employee Contributions	(32,503)	(32,253)	(41,969)	(23,474)
Net Change in Total Pension Liability	53,862	40,528	40,545	60,266
Total Pension Liability - Beginning	591,790	551,262	510,717	450,451
Total Pension Liability - Ending (a)	$ 645,652	$ 591,790	$ 551,262	$ 510,717
Plan Fiduciary Net Position				
Contributions - Employer	$ 32,387	$ 19,269	$ 18,838	$ 21,425
Contributions - Employee	30,063	21,606	20,850	23,706
Net Investment Income	(45,850)	71,456	38,849	65,648
Benefit Payments, incl. Refunds of Employee Contributions	(32,503)	(32,253)	(41,969)	(23,474)
Administrative Expense	(396)	(330)	(251)	(370)
Other	473	1	(10)	(11)
Net Change in Plan Fiduciary Net Positon	(15,826)	79,749	36,307	86,924
Plan Fiduciary Net Position - Beginning	626,951	547,202	510,895	423,971
Plan Fiduciary Net Position - Ending (b)	$ 611,125	$ 626,951	$ 547,202	$ 510,895
Net Pension Liability (Asset) - ending (a) - (b)	$ 34,527	$ (35,161)	$ 4,060	$ (178)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.65%	105.94%	99.26%	100.03%
Covered Payroll	$ 501,051	$ 360,101	$ 347,499	$ 422,551
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.89%	-9.76%	1.17%	-0.04%

NOTES TO SCHEDULE OF NET PENSION LIABILITY

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only avaliable information is shown.

Year Ended December 31,				
2018	2017	2016	2015	2014
$ 41,960	$ 36,190	$ 23,739	$ 22,117	$ 18,504
27,417	23,897	21,092	17,994	16,131
-	-	18,393	-	-
4,162	4,957	5,511	4,567	5,183
-	-	-	6,559	-
(16,567)	(15,012)	(15,012)	(15,012)	(15,012)
56,972	50,032	53,723	36,225	24,806
393,479	343,447	289,724	253,499	228,693
$ 450,451	$ 393,479	$ 343,447	$ 289,724	$ 253,499
$ 19,352	$ 16,278	$ 1,929	$ 1,352	$ -
21,911	18,964	17,541	16,905	15,116
(12,348)	47,716	21,526	465	17,052
(16,567)	(15,012)	(15,012)	(15,012)	(15,012)
(238)	(247)	(243)	(283)	(178)
(12)	(13)	(13)	(14)	(15)
12,097	67,686	25,728	3,413	16,963
411,874	344,188	318,460	315,047	298,084
$ 423,971	$ 411,874	$ 344,188	$ 318,460	$ 315,047
$ 26,480	$ (18,395)	$ (741)	$ (28,736)	$ (61,548)
94.12%	104.67%	100.22%	109.92%	124.28%
$ 365,187	$ 316,069	$ 292,347	$ 281,743	$ 251,940
7.25%	-5.82%	-0.25%	-10.20%	-24.43%

City of Collinsville, Texas

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - TMRS

Last Ten Measured Years

	Year Ended December 31, 2022	2021	2020
Total OPEB liability			
Service Cost	$ 4,159	$ 2,737	$ 1,355
Interest (on the Total OPEB Liability)	574	690	768
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,457	(7,354)	219
Changes in assumptions or other imputs	(10,064)	746	3,973
Benefit payments	(1,102)	(612)	(174)
Net Change in Total OPEB Liability	(3,976)	(3,793)	6,141
Total OPEB Liability - Beginning	29,668	33,461	27,320
Total OPEB Liability - Ending (a)	$ 25,692	$ 29,668	$ 33,461
Covered Payroll	$ 501,051	$ 360,101	$ 347,499
Total OPEB Liability as a Percentage of Covered Payroll	5.13%	8.24%	9.63%

NOTES TO SCHEDULE OF TOTAL OPEB LIABILITY

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only avaliable information is shown.

	Year Ended December 31,		
	2019	2018	2017
	$ 988	$ 1,169	$ 917
	769	647	633
	-	-	-
	1,082	896	-
	4,332	(1,284)	1,316
	(158)	(183)	(158)
	7,013	1,245	2,708
	20,307	19,062	16,354
	$ 27,320	$ 20,307	$ 19,062
	$ 422,551	$ 365,187	$ 316,069
	6.47%	5.56%	6.03%

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APPENDIX B

FORM OF BOND COUNSEL'S OPINION

November 20, 2024

NORTON ROSE FULBRIGHT

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the "City of Collinsville, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024," dated October 15, 2024, in the principal amount of $3,900,000 (the "Certificates"), we have examined into their issuance by the City of Collinsville, Texas (the "City"), solely to express legal opinions as to the validity of the Certificates and the exclusion of the interest on the Certificates from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Certificates, or the sufficiency of the security for or the value or marketability of the Certificates.

THE CERTIFICATES are issued in fully registered form only and in denominations of $5,000 or any integral multiple thereof (within a maturity). The Certificates mature on August 15 in each of the years specified in the ordinance adopted by the City Council of the City authorizing the issuance of the Certificates (the "Ordinance"), unless redeemed prior to maturity in accordance with the terms stated on the Certificates. The Certificates accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Certificates, including the Ordinance and an examination of the initial Certificate executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Certificates and certain other funds of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Certificates, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Certificates have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City, payable from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, and are additionally payable from and secured by a pledge of the Net Revenues (as defined in the Ordinance) of the City's Water and Sewer System in the manner and to the extent provided in the Ordinance, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the City with the provisions of the Ordinance relating to sections 141 through 150 of the Code, interest on the Certificates for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

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

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; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX C

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

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

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

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

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

Municipal Advisory Services
Provided By

HilltopSecurities
A Hilltop Holdings Company.