PRELIMINARY OFFICIAL STATEMENT

Dated November 26, 2024

Ratings:
Moody's: "Aa2"
Fitch: "AA+"
S&P: "A+"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

Interest on the Taxable Bonds is not excludable from gross income for federal tax purposes under existing law. See "Tax Matters – The Taxable Bonds."

$21,715,000*
MANSFIELD ECONOMIC DEVELOPMENT CORPORATION
(Tarrant, Johnson and Ellis Counties, Texas)
SALES TAX REVENUE BONDS, TAXABLE NEW SERIES 2025

Dated Date: December 1, 2024
Interest Accrues: Date of Delivery

Due: August 1, as shown on page 2

PAYMENT TERMS. . . The Mansfield Economic Development Corporation (the "Corporation") is issuing its $21,715,000* Mansfield Economic Development Corporation Sales Tax Revenue Bonds, Taxable New Series 2025 (the "Taxable Bonds"). Interest on the Taxable Bonds will accrue from the date of their delivery to the Underwriters of the Taxable Bonds (defined below) (the "Date of Delivery"), and will be payable February 1 and August 1 of each year commencing August 1, 2025, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Taxable Bonds 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. Beneficial ownership of the Taxable Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Taxable Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Taxable Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Taxable Bonds. See "The Bonds - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is U.S. Bank National Association, Dallas, Texas (see "The Bonds - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Taxable Bonds are being issued by the Corporation pursuant to Chapters 501, 502 and 504, Texas Local Government Code, as amended (the "Act"). The Taxable Bonds and their terms are governed by the provisions of a bond resolution (the "Taxable New Series 2025 Resolution") to be adopted by the Board of Directors of the Corporation on December 9, 2024 (see "The Bonds - Authority for Issuance").

The Taxable Bonds are special obligations of the Corporation, payable from, and together with any Parity New Series Revenue Obligations, secured by a lien on and pledge of certain Pledged Revenues which include the proceeds of a 1/2 of 1% sales and use tax levied within the City of Mansfield, Texas (the "City") for the benefit of the Corporation (see "Selected Provisions of the Resolutions"); provided, however, such lien on and pledge of the Pledged Revenues is junior and subordinate to the lien on and pledge of the Pledged Revenues made for the security and payment of the Previously Issued Senior Lien Bonds (as defined herein). The Corporation has covenanted in the Taxable New Series 2025 Resolution not to issue any additional obligations that are on a parity with the Previously Issued Senior Lien Bonds. At such time as there are no Previously Issued Senior Lien Bonds outstanding, the Parity New Series Revenue Obligations shall be equally and ratably secured by and payable from an irrevocable first lien on and pledge of the Pledged Revenues.

The Taxable Bonds are payable solely by a pledge of and lien on the moneys described in the Taxable New Series 2025 Resolution and not from any other revenues, properties or income of the Corporation. None of the State, Tarrant, Johnson or Ellis Counties, the City of Mansfield, Texas (the "City"), or any political corporation, subdivision, or agency of the State shall be obligated to pay the Taxable Bonds or the interest thereon, and neither the faith and credit nor the taxing power of the State, Tarrant, Johnson or Ellis Counties, the City, or any political corporation, subdivision, or agency thereof, except as authorized by the Act, is pledged to the payment of the principal of or interest on the Taxable Bonds (see "The Bonds - Security and Source of Payment").

PURPOSE. . . Proceeds from the sale of the Taxable Bonds will be used for the purpose of (i) designing, developing and constructing a professional multi-sport stadium and related infrastructure; (ii) acquiring a Reserve Fund Surety Bond for deposit in the New Series 2025 Taxable Bonds Reserve Fund; (iii) paying capitalized interest on the Taxable Bonds; and (iv) paying the costs of issuing the Taxable Bonds.

BOND INSURANCE . . . The Corporation has applied for municipal bond insurance on the Taxable Bonds and will consider the purchase of such insurance after an analysis of the bids from such companies has been made. See "Bond Insurance Risk Factors" herein.

CUSIP PREFIX: 564381
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 2

SEPARATE ISSUES . . . The Taxable Bonds are being offered by the Corporation concurrently with the "Mansfield Economic Development Corporation Sales Tax Revenue Bonds, New Series 2025" (the "Tax-Exempt Bonds"), and such Taxable Bonds and Tax-Exempt Bonds are hereinafter sometimes referred to collectively as the "Bonds." The Taxable Bonds and Tax-Exempt Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders the federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds and other features.

LEGALITY . . . The Taxable Bonds are offered for delivery when, as and if issued and received by the initial purchasers of the Taxable Bonds (the "Underwriters of the Taxable Bonds") and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters of the Taxable Bonds by West & Associates, L.L.P., Dallas, Texas, Counsel to the Underwriters of the Taxable Bonds.

DELIVERY. . . It is expected that the Taxable Bonds will be available for delivery through The DTC on January 8, 2025.

RAYMOND JAMES

BOK FINANCIAL SECURITIES, INC. **UMB BANK, N.A.** **TRUIST SECURITIES**

* Preliminary, subject to change.

CUSIP[1] Prefix: 564381

MATURITY SCHEDULE*

1-Aug Year	Principal Amount	Interest Rate	Initial Yield	CUSIP[1] Suffix
2027	$ 355,000			
2028	370,000			
2029	390,000			
2030	410,000			
2031	430,000			
2032	450,000			
2033	470,000			
2034	495,000			
2035	520,000			
2036	550,000			
2037	580,000			
2038	610,000			
2039	640,000			
2040	675,000			
2041	715,000			
2042	755,000			
2043	800,000			
2044	845,000			
2045	890,000			
2046	945,000			
2047	1,000,000			
2048	1,055,000			
2049	1,120,000			
2050	1,185,000			
2051	1,250,000			
2052	1,325,000			
2053	1,400,000			
2054	1,485,000			

(Interest accrues from Date of Delivery)

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS") 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 CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Corporation, the Financial Advisor, or the Underwriters of the Taxable Bonds take any responsibility for the accuracy of such numbers.

REDEMPTION . . . The Corporation reserves the right, at its option, to redeem Taxable Bonds having stated maturities on and after August 1, 2035, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. Additionally, the Corporation reserves the right to redeem Taxable Bonds having stated maturities on and after August 1, 2050, in whole or in part in principal amounts of $5,000 or any integral multiple thereof on August 1, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Bonds - Optional Redemption"). If two or more consecutive serial maturities of the Taxable Bonds are grouped into a single maturity (the "Taxable Term Bonds") by the Underwriters of the Taxable Bonds, such Taxable Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Taxable New Series 2025 Resolution and will be described in this Official Statement.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT

Dated November 26, 2024

Ratings:
Moody's: "Aa2"
Fitch: "AA+"
S&P: "A+"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, under existing law, interest on the Bonds is (i) excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) not an item of tax preference for purposes of the alternative minimum tax on individuals. See “Tax Matters” herein, including information regarding potential alternative minimum tax consequences for corporations.

THE BONDS WILL NOT BE DESIGNATED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” FOR FINANCIAL INSTITUTIONS

MANSFIELD
TEXAS

$54,165,000*
MANSFIELD ECONOMIC DEVELOPMENT CORPORATION
(Tarrant, Johnson and Ellis Counties, Texas)
SALES TAX REVENUE BONDS, TAX-EXEMPT NEW SERIES 2025

Dated Date: December 1, 2024
Interest Accrues: Date of Delivery

Due: August 1, as shown on page 4

PAYMENT TERMS. . . The Mansfield Economic Development Corporation (the “Corporation”) is issuing its $54,165,000* Mansfield Economic Development Corporation Sales Tax Revenue Bonds, Tax-Exempt New Series 2025 (the "Tax-Exempt Bonds"). Interest on the Tax -Exempt Bonds will accrue from the date of their delivery to the Underwriters of the Tax-Exempt Bonds (defined below) (the “Date of Delivery”), and will be payable February 1 and August 1 of each year commencing August 1, 2025, until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Tax-Exempt Bonds 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. Beneficial ownership of the Tax-Exempt Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Tax-Exempt Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Tax-Exempt Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See “The Bonds - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is U.S. Bank National Association, Dallas, Texas (see “The Bonds - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued by the Corporation pursuant to Chapters 501, 502 and 504, Texas Local Government Code, as amended (the “Act”). The Bonds and their terms are governed by the provisions of a bond resolution (the "Tax-Exempt New Series 2025 Resolution") to be adopted by the Board of Directors of the Corporation on December 9, 2024 (see "The Bonds - Authority for Issuance").

The Tax-Exempt Bonds are special obligations of the Corporation, payable from, and together with any Parity New Series Revenue Obligations, secured by a lien on and pledge of certain Pledged Revenues which include the proceeds of a 1/2 of 1% sales and use tax levied within the City of Mansfield, Texas (the "City") for the benefit of the Corporation (see "Selected Provisions of the Resolutions"); provided, however, such lien on and pledge of the Pledged Revenues is junior and subordinate to the lien on and pledge of the Pledged Revenues made for the security and payment of the Previously Issued Senior Lien Bonds (as defined herein). The Corporation has covenanted in the Tax-Exempt New Series 2025 Resolution not to issue any additional obligations that are on a parity with the Previously Issued Senior Lien Bonds. At such time as there are no Previously Issued Senior Lien Bonds outstanding, the Parity New Series Revenue Obligations shall be equally and ratably secured by and payable from an irrevocable first lien on and pledge of the Pledged Revenues.

The Tax-Exempt Bonds are payable solely by a pledge of and lien on the moneys described in the Tax-Exempt New Series 2025 Resolution and not from any other revenues, properties or income of the Corporation. None of the State, Tarrant, Johnson or Ellis Counties, the City of Mansfield, Texas (the “City”) nor any political corporation, subdivision, or agency of the State shall be obligated to pay the Tax-Exempt Bonds or the interest thereon, and neither the faith and credit nor the taxing power of the State, Tarrant, Johnson or Ellis Counties, the City, or any political corporation, subdivision, or agency thereof, except as authorized by the Act, is pledged to the payment of the principal of or interest on the Tax-Exempt Bonds (see “The Bonds - Security and Source of Payment").

PURPOSE. . . Proceeds from the sale of the Tax-Exempt Bonds will be used for the purpose of (i) designing, developing and constructing a professional multi-sport stadium and related infrastructure; (ii) acquiring a Reserve Fund Surety Bond for deposit in the New Series 2025 Tax-Exempt Bonds Reserve Fund; (iii) paying capitalized interest on the Tax-Exempt Bonds; and (iv) paying the costs of issuing the Tax-Exempt Bonds.

BOND INSURANCE . . . The Corporation has applied for municipal bond insurance on the Tax-Exempt Bonds and will consider the purchase of such insurance after an analysis of the bids from such companies has been made. See “Bond Insurance Risk Factors” herein.

CUSIP PREFIX: 564381
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 4

SEPARATE ISSUES . . . The Tax-Exempt Bonds are being offered by the Corporation concurrently with the "Mansfield Economic Development Corporation Sales Tax Revenue Bonds, Taxable New Series 2025" (the "Taxable Bonds"), and such Tax-Exempt Bonds and Taxable Bonds are hereinafter sometimes referred to collectively as the "Bonds". The Tax-Exempt Bonds and Taxable Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders the federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds and other features.

LEGALITY . . . The Tax-Exempt Bonds are offered for delivery when, as and if issued and received by the initial purchasers of the Tax-Exempt Bonds (the “Underwriters of the Tax-Exempt Bonds”) and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters of the Tax-Exempt Bonds by West & Associates, L.L.P., Dallas, Texas, Counsel to the Underwriters of the Tax-Exempt Bonds and such Underwriters of the Tax-Exempt Bonds and Underwriters of the Taxable Bonds are hereinafter sometimes referred to collectively as the "Underwriters".

DELIVERY. . . It is expected that the Tax-Exempt Bonds will be available for delivery through The DTC on January 8, 2025.

RAYMOND JAMES

BOK FINANCIAL SECURITIES, INC. **UMB BANK, N.A.** **TRUIST SECURITIES**

* Preliminary, subject to change.

CUSIP[1] Prefix: 564381

MATURITY SCHEDULE*

1-Aug Year	Principal Amount	Interest Rate	Initial Yield	CUSIP[1] Suffix
2028	$ 110,000			
2029	120,000			
2030	135,000			
2031	140,000			
2032	150,000			
2033	380,000			
2034	400,000			
2035	415,000			
2036	435,000			
2037	1,455,000			
2038	1,525,000			
2039	2,065,000			
2040	2,170,000			
2041	2,280,000			
2042	2,395,000			
2043	2,510,000			
2044	2,640,000			
2045	2,770,000			
2046	2,910,000			
2047	3,055,000			
2048	3,205,000			
2049	3,365,000			
2050	3,535,000			
2051	3,710,000			
2052	3,900,000			
2053	4,095,000			
2054	4,295,000			

(Interest accrues from Date of Delivery)

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REDEMPTION . . . The Corporation reserves the right, at its option, to redeem Bonds having stated maturities on and after August 1, 2035, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. Additionally, the Corporation reserves the right to redeem Tax-Exempt Bonds having stated maturities on and after August 1, 2050, in whole or in part in principal amounts of $5,000 or any integral multiple thereof on August 1, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Bonds - Optional Redemption"). If two or more consecutive serial maturities of the Tax-Exempt Bonds are grouped into a single maturity (the "Tax-Exempt Term Bonds") by the Underwriters of the Tax-Exempt Bonds, such Tax-Exempt Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Tax-Exempt New Series 2025 Resolution and will be described in this Official Statement.

* Preliminary, subject to change.

For purposes of compliance with United States Securities and Exchange Commission's (the "SEC") Rule 15c2-12, as amended (the "Rule"), this document constitutes an Official Statement of the Corporation with respect to the Bonds that has or will be "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

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

No dealer, broker, salesman or other person has been authorized by the Corporation or the Underwriters to give any information, or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Corporation or the Underwriters. This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

Certain information set forth herein has been obtained from the Corporation and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Financial Advisor or the Underwriters. Any information and expressions of opinion herein contained 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 Corporation or other matters described herein since the date hereof. See "Continuing Disclosure of Information" for a description of the Corporation's undertaking to provide certain information on a continuing basis.

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

NEITHER THE CORPORATION, ITS FINANCIAL ADVISOR NOR THE UNDERWRITERS 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 HEREIN, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

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

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES 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.

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or hyperlinks contained therein are not incorporated into, and are not a part of, this offering document for any purposes.

TABLE OF CONTENTS

The cover page 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 Bonds 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 CORPORATION .... The Corporation is a non-profit development corporation of the City of Mansfield, Texas (the "City"), created by the City and organized and existing under the laws of the State of Texas, particularly the Act (see "Introduction - Description of the Corporation").

THE TAXABLE BONDS.................. The Taxable Bonds are issued as $21,715,00* Sales Tax Revenue Bonds, Taxable New Series 2025. The Taxable Bonds are issued as serial bonds maturing August 1 in the years 2027 through 2054, inclusive, unless the Underwriters of the Taxable Bonds designate two or more maturities as Taxable Term Bonds (see "The Bonds – Description of the Bonds").

THE TAX-EXEMPT BONDS .... The Tax-Exempt Bonds are issued as $54,165,000* Sales Tax Revenue Bonds, Tax-Exempt New Series 2025. The Tax-Exempt Bonds are issued as serial bonds maturing August 1 in the years 2028 through 2054, inclusive, unless the Underwriters of the Tax-Exempt Bonds designate two or more maturities as Tax-Exempt Term Bonds (see "The Bonds – Description of the Bonds").

The Taxable Bonds and the Tax-Exempt bonds are sometimes collectively referred to as the "Bonds".

PAYMENT OF INTEREST .... Interest on the Bonds accrues from the Date of Delivery (as defined on the cover page and page 3), and is payable August 1, 2025, and each February 1 and August 1 thereafter until maturity or prior redemption (see "The Bonds - Description of the Bonds" and "The Bonds - Optional Redemption").

AUTHORITY FOR ISSUANCE .... The Taxable Bonds are being issued by the Corporation pursuant to Chapters 501, 502 and 504, Texas Local Government Code, as amended (collectively, the "Act"). The Taxable Bonds and their terms are governed by the provisions of a bond resolution (the "Taxable New Series 2025 Resolution") to be adopted by the Board of Directors of the Corporation (the "Board") on December 9, 2024 (see "The Bonds - Authority for Issuance").

The Tax-Exempt Bonds are being issued by the Corporation pursuant to the Act. The Bonds and their terms are governed by the provisions of a bond resolution (the "Tax-Exempt New Series 2025 Resolution") to be adopted by the Board on December 9, 2024 (see "The Bonds - Authority for Issuance").

SECURITY FOR THE BONDS .... The Bonds are special obligations of the Corporation, payable from, and together with any Parity New Series Revenue Obligations, secured by a lien on and pledge of certain Pledged Revenues which include the gross proceeds of a 1/2 of 1% sales and use tax levied within the City of Mansfield, Texas for the benefit of the Corporation (see "The Bonds - Security and Source of Payment"); provided, however, such lien on and pledge of the Pledged Revenues is junior and subordinate to the lien on and pledge of the Pledged Revenues made for the security and payment of the Previously Issued Senior Lien Bonds (as defined herein). The Corporation has covenanted in the Taxable New Series 2025 Resolution and the Tax-Exempt New Series 2025 Resolution (together the "Resolutions") not to issue any additional obligations that are on a parity with the Previously Issued Senior Lien Bonds. At such time as there are no Previously Issued Senior Lien Bonds outstanding, the Parity New Series Revenue Obligations shall be equally and ratably secured by and payable from an irrevocable first lien on and pledge of the Pledged Revenues.

REDEMPTION .... The Corporation reserves the right, at its option, to redeem Bonds having stated maturities on and after August 1, 2035 in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. Additionally, the Corporation reserves the right to redeem Bonds having stated maturities on and after August 1, 2050 on August 1, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Bonds - Optional Redemption"). If two or more consecutive serial maturities of the Taxable Bonds and/or Tax-Exempt Bonds are grouped into a single maturity (the "Tax-Exempt Term Bonds" or "Taxable Term Bonds, as applicable, and collectively, the "Term Bonds") by the Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Resolutions and will be described in this Official Statement.

* Preliminary, subject to change.

TAX MATTERS...............................	Interest on the Taxable Bonds is not excludable from gross income for federal tax purposes under existing law. See "Tax Matters – The Taxable Bonds." In the opinion of Bond Counsel, under existing law, interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) not an item of tax preference for purposes of the alternative minimum tax on individuals. See "Tax Matters – The Tax-Exempt Bonds" herein, including information regarding potential alternative minimum tax consequences for corporations.
USE OF PROCEEDS.........................	Proceeds from the sale of the Taxable Bonds will be used for the purpose of (i) designing, developing and constructing a professional multi-sport stadium and related infrastructure, (ii) acquiring a Reserve Fund Surety Bond for deposit in the New Series 2025 Taxable Bonds Reserve Fund; (iii) paying capitalized interest on the Taxable Bonds; and (iv) paying the costs of issuing the Taxable Bonds. Proceeds from the sale of the Tax-Exempt Bonds will be used for the purpose of (i) designing, developing and constructing a professional multi-sport stadium and related infrastructure, (ii) acquiring a Reserve Fund Surety Bond for deposit in the New Series 2025 Tax-Exempt Bonds Reserve Fund; (iii) paying capitalized interest on the Tax-Exempt Bonds; and (iv) paying the costs of issuing the Tax-Exempt Bonds
RATINGS	The Bonds and the presently outstanding Parity New Series Revenue Obligations of the Corporation are rated "Aa2" by Moody's Investors Service, Inc. ("Moody's"), "A+" by S&P Global Ratings ("S&P"), and "AA+" by Fitch Ratings ("Fitch"), without regard to credit enhancement (see "Other Information - Ratings").
INSURANCE	The Corporation has applied for municipal bond insurance on each series of the Bonds and will consider the purchase of such insurance after an analysis of the bids from such companies has been made. See "Bond Insurance Risk Factors" herein.
BOOK-ENTRY-ONLY SYSTEM	The definitive Bonds 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 Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity of a series. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "The Bonds - Book-Entry-Only System").
PAYMENT RECORD	The Corporation has never defaulted in payment of its bonds.

CORPORATION ADMINISTRATION

THE CORPORATION'S OFFICERS AND BOARD OF DIRECTORS

Member Name	Member Since	Term Expires
Todd Simmons President	January, 2023	September, 2025
William Vivoni Vice President	September, 2019	September, 2026
Nicole Zaitoon Secretary	October, 2020	September, 2025
Jim Vaszauskas	October, 2023	September, 2025
Kent Knight	October, 2022	September, 2026
James Sellars	June, 2024	September, 2025
Lance Walker	October, 2024	September, 2026

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Elected	Term Expires	Occupation
Michael Evans Mayor, Place 1	Re-elected May, 2022	May 2025	Pastor
Todd Tonore Mayor Pro Tem, Place 6	Elected November, 2020	May 2026	CEO
Tamera Bounds Councilmember Place 2	Re-elected May, 2022	May 2025	Director, Rehab Pro
Brent Newsom Councilmember Place 3	Re-elected May, 2023	May 2027	Banking Industry
Juan Fresquez Councilmember Place 4	Elected May, 2024	May 2027	Healthcare Leadership
Julie Short Councilmember Place 5	Re-elected May, 2024	May 2027	Realtor
Larry Broseh Councilmember Place 7	Re-elected November, 2020	May 2026	President, Cam Tech Inc.

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service to City	Total Length of Governmental Service
Joe Smolinski	City Manager	22 Years	22 Years
Troy Lestina	Deputy City Manager	15 Years	17 Years
Matt Jones	Assistant City Manager	5 Years	17 Years
Susana Marin	City Secretary	17 Years	21 Years
Ashley Dierker	City Attorney	1 Year	16 Years
Vanessa Ramirez	Assistant City Manager	2 Years	9 Years

CONSULTANTS AND ADVISORS

Auditors ....FORVIS MAZARS, LLP
Dallas, Texas

Bond Counsel .... Bracewell LLP
Dallas, Texas

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

For additional information regarding the Corporation, please contact:

Troy Lestina City of Mansfield 1200 E. Broad Street Mansfield, Texas 76063 (817) 276-4200	or	Nick Bulaich Hilltop Securities Inc. 777 Main Street Suite 1525 Fort Worth, Texas 76102 (817) 332-9710

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

$21,715,000*	$54,165,000*
MANSFIELD ECONOMIC DEVELOPMENT CORPORATION	MANSFIELD ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE BONDS, TAXABLE NEW SERIES 2025	SALES TAX REVENUE BONDS, TAX-EXEMPT NEW SERIES 2025

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the Mansfield Economic Development Corporation (the "Corporation") and its issuance of $21,715,000* Sales Tax Revenue Bonds, Taxable New Series 2025 (the "Taxable Bonds") and the $54,165,000* Sales Tax Revenue Bonds, Tax-Exempt New Series 2025 (the "Tax-Exempt Bonds"). The Taxable Bonds and Tax-Exempt Bonds (collectively, the "Bonds") are separate and distinct securities offerings being authorized for issuance under separate authorizations (the "Taxable New Series 2025 Resolution" and the "Tax-Exempt New Series 2025 Resolution", respectively, each as defined below and collectively the "Resolutions") to be adopted by the Board of Directors of the Corporation (the "Board") on December 9, 2024, but are being offered and sold pursuant to a common Official Statement, and while the Taxable Bonds and Tax-Exempt Bonds share certain common attributes, each issue is separate and apart from the other and should be reviewed and analyzed independently, including the kind and type of obligation being issued, its terms of payments, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds and the covenants and agreements made with respect thereto. Capitalized terms used in this Official Statement have the same meanings assigned to such terms in terms in each respective Resolution, except as otherwise indicated herein.

There follows in this Official Statement descriptions of the Bonds and certain information regarding the Corporation 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 Corporation's Financial Advisor, Hilltop Securities Inc. ("Hilltop Securities" or "Financial Advisor"), Fort Worth, Texas.

All financial and other information presented in this Official Statement has been provided by the Corporation and the City of Mansfield, Texas (the "City") from their records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Corporation. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future (see "Other Information - Forward-Looking Statements").

DESCRIPTION OF THE CORPORATION . . . The Corporation is a non-profit corporation duly organized and operating under the laws of the State of Texas, particularly Chapters 501, 502 and 504, Texas Local Government Code, as amended (collectively, the "Act"). The Corporation was created following an election held by the City on January 18, 1997, on the question of the levy of a 1/2 of 1% local sales and use tax in the City (the "Sales Tax") for the benefit of the Corporation (the "Election"). The purpose of the Corporation as currently organized is to promote and provide for the economic development within the City and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing, and financing projects under the Act. Pursuant to an election held on May 6, 2023, the types of projects to be undertaken by the Corporation were expanded to include, among other items, the professional multi-sport stadium and related infrastructure being constructed with the proceeds of the Bonds. The City Council of the City of Mansfield appoints the members of the Board and under the provisions of the Act and the Corporation's by-laws is required to approve certain actions of the Corporation, including the issuance of the Bonds by the Corporation.

DESCRIPTION OF THE CITY. . . The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1890, and first adopted its Home Rule Charter in 1975 and last amended its Home Rule Charter on November 3, 2020. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members. The term of office is a staggered three-year term. The City Manager is the chief executive officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, electric, water and sanitary sewer utilities, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services. The 2022 U.S. Census population for the City was 76,724, while the estimated 2024 population is 84,043. The City covers approximately 36.69 square miles.

* Preliminary, subject to change.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Taxable Bonds will be used for the purpose of (i) designing, developing and constructing a professional multi-sport stadium and related infrastructure, (ii) acquiring a Reserve Fund Surety Bond for deposit in the New Series 2025 Taxable Bonds Reserve Fund; (iii) paying capitalized interest on the Taxable Bonds; and (iv) paying the costs of issuing the Taxable Bonds.

Proceeds from the sale of the Bonds will be used for the purpose of (i) designing, developing and constructing a professional multi-sport stadium and related infrastructure, (ii) acquiring a Reserve Fund Surety Bond for deposit in the New Series 2025 Tax-Exempt Bonds Reserve Fund; (iii) paying capitalized interest on the Tax-Exempt Bonds; and (iv) paying the costs of issuing the Tax-Exempt Bonds.

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

	The Taxable Bonds	The Tax-Exempt Bonds
Sources:		
Par Amount	$ -	$ -
TOTAL SOURCES	$ -	$ -
Uses:		
Deposit to Project Construction Fund	$ -	$ -
Costs of Issuance [1]	-	-
Surety Fee for Debt Service Reserve Fund Surety Bond	-	-
Capitalized Interest	-	-
TOTAL USES	$ -	$ -

(1) Includes Underwriters' Discount.

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated December 1, 2024, and mature on August 1 in each of the years and in the amounts shown on pages 2 and 4 hereof. Interest will accrue from the Date of Delivery (as defined on the cover page and page 3), and will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 1 and August 1, commencing August 1, 2025, until maturity or prior redemption. The definitive Bonds 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 Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE. . . The Bonds are being issued by the Corporation pursuant to the Act. The Bonds and their terms are governed by the provisions of the Resolutions.

SECURITY AND SOURCE OF PAYMENT. . . The Bonds are special obligations of the Corporation payable solely from, and together with any Parity New Series Revenue Obligations, secured by a lien on and pledge of the Pledged Revenues, as defined below; provided, however, such lien on and pledge of the Pledged Revenues is junior and subordinate to the lien on and pledge of the Pledged Revenues made for the security and payment of the Previously Issued Senior Lien Bonds (as set out in the table below). The Corporation has covenanted in the Resolutions not to issue any additional bonds that are on a parity with the Previously Issued Senior Lien Bonds. At such time as there are no Previously Issued Senior Lien Bonds outstanding, the Bonds, together with any Parity New Series Revenue Obligations, shall be equally and ratably secured by and payable from an irrevocable first lien on and pledge of the Pledged Revenues. (See "Selected Provisions of the Resolutions").

The Corporation currently has outstanding Previously Issued Senior Lien Bonds secured by and payable from a prior and superior lien on and pledge of the Pledged Revenues, as follows:

Dated Date	Outstanding Debt[1]	Issue Description
12/1/2011	$ 1,455,000	Sales Tax Revenue Bonds, Series 2012

(1) As of December 1, 2024.

The Corporation currently has outstanding Previously Issued New Series Bonds secured by and payable from a junior and subordinate lien on and pledge of the Pledged Revenues, as follows:

Dated Date	Outstanding Debt[(1)]		Issue Description
10/1/2016	$	9,595,000	Sales Tax Revenue Bonds, New Series 2016
1/15/2018		4,850,000	Sales Tax Revenue Bonds, Taxable New Series 2018
	$	14,445,000	

(1) As of December 1, 2024. Does not include the Bonds.

The Bonds do not constitute a debt of the City, Tarrant, Johnson and Ellis Counties, the State or any agency, political corporation or subdivision thereof nor do the Bonds constitute a legal or equitable, pledge, charge, lien or encumbrance upon any property of the Corporation or the City except with respect to the Pledged Revenues. In the Resolutions, the Corporation has reserved the right to issue Additional Parity New Series Revenue Obligations payable, in whole or in part, from the Pledged Revenues and, subject to satisfying the terms and conditions prescribed therefor, such Additional Parity New Series Revenue Obligations may be equally and ratably secured by a parity lien on and pledge of such Pledged Revenues; provided, however, such lien on and pledge of the Pledged Revenues is junior and subordinate to the lien on and pledge of the Pledged Revenues made for the security and payment of the Previously Issued Senior Lien Bonds. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE, JOHNSON COUNTY, OR ANY AGENCY, POLITICAL CORPORATION OR SUBDIVISION THEREOF, HAS BEEN PLEDGED FOR THE PAYMENT OF THE BONDS, EXCEPT AS DESCRIBED HEREIN.

The Act contains provisions which would allow the voters of the City to either reduce or repeal the Sales Tax. The Attorney General of Texas has rendered an Opinion (Opinion No. DM-137) to the effect that a "reduction in the sales tax rate, or a limitation on the amount of time the tax may be collected, may not be applied to any bonds issued prior to the date of the rollback election". In so opining, the Attorney General noted any "subsequent legislation which purports to permit the reduction or other limitation of that tax is ineffective to do so, because such alteration would impair the obligation of the contract between the city and such bondholders", and in effect be a violation of Article 1, Section 10 of the United States Constitution and Article I, Section 16 of the Texas Constitution.

The Sales Tax may not be collected after the last day of the first calendar quarter occurring after notification to the State Comptroller of Public Accounts by the Corporation that all bonds or other obligations of the Corporation that are payable in whole or in part from the proceeds of the Sales Tax, including any refunding bonds or other obligations, have been paid in full or the full amount of money necessary to defease such bonds and other obligations has been set aside in a trust account dedicated to their payment.

PLEDGE UNDER THE RESOLUTIONS. . . In the Resolutions, the Corporation covenants and agrees that the Pledged Revenues, with the exception of those in excess of the amounts required for the payment and security of the Previously Issued Senior Lien Bonds and Parity New Series Revenue Obligations (collectively the Bonds, the Previously Issued New Series Bonds and any Additional Parity New Series Revenue Obligations), are irrevocably pledged to the payment and security of the Parity New Series Revenue Obligations, including the establishment and maintenance of the special funds created and established in the resolutions authorizing Parity New Series Revenue Obligations. Under the Resolutions, the Pledged Revenues consist of (i) Gross Sales Tax Revenues from time to time deposited or owing to the Gross Sales Tax Revenue Fund, and (ii) such other money, income, revenues or other property which the Corporation may expressly and specifically pledge to the payment of the Parity New Series Revenue Obligations. The Resolutions define "Gross Sales Tax Revenue" as all of the revenues due or owing to, or collected or received by or on behalf of the Corporation, whether by the City or otherwise, pursuant to the Sales Tax Collection Resolution or the New Series Resolution (collectively, the Resolutions, the resolutions authorizing the Previously Issued New Series Bonds and any resolutions authorizing Additional Parity New Series Revenue Obligations), or the resolutions authorizing the Previously Issued Senior Lien Bonds from the levy of the Sales Tax, less any amounts due or owing to the Comptroller as charges for collection or retention by the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by law.

ADDITIONAL PARITY NEW SERIES REVENUE OBLIGATIONS . . . In the Resolutions, the Corporation reserves the right to issue Additional Parity New Series Revenue Obligations payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues on a parity with the lien and pledge securing outstanding Parity New Series Revenue Obligations, subject to satisfying certain terms and conditions including obtaining a certificate or opinion from a certified public accountant to the effect that the Gross Sales Tax Revenues received by the Corporation for the last completed Fiscal Year or for any twelve consecutive months out of the fifteen months next preceding the adoption of the resolution authorizing the issuance of the Additional Parity New Series Revenue Obligations were equal to at least (i) 1.35 times the combined maximum annual principal and interest requirements on all Previously Issued Senior Lien Bonds and Parity New Series Revenue Obligations to be outstanding after the issuance of the proposed Additional Parity New Series Revenue Obligations and (ii) 1.50 times the combined average annual principal and interest requirements on all Previously Issued Senior Lien Bonds and Parity New Series Revenue Obligations to be outstanding after the issuance of the proposed Additional Parity New Series Revenue Obligations; provided, that in the event of an increase in the rate of the Sales Tax that becomes effective prior to the date of the resolution authorizing the issuance of the Additional Parity New Series Revenue Obligations, such calculation shall be made if such increase were in effect during such period. The Corporation has covenanted in the Resolutions not to issue any additional obligations that are on a parity with the Previously Issued Senior Lien Bonds.

THE GROSS SALES TAX REVENUE FUND . . . Under the terms of the Act and a resolution adopted concurrently by the City Council of the City and the Board (the "Sales Tax Collection Resolution") that relates to the collection, handling and transfer of sales tax revenue due to the Corporation, the Gross Sales Tax Revenues collected by the State Comptroller of Public Accounts and remitted periodically to the City for the benefit of the Corporation shall be deposited by the City as received to the credit of a fund or account of the Corporation to be known as the "Gross Sales Tax Revenue Fund."

As explained below under "Flow of Funds," the Gross Sales Tax Revenues held in the Gross Sales Tax Revenue Fund are first to be used to make payments to the Previously Issued Senior Lien Bonds Debt Service Fund in amounts equal to one hundred percent (100%) of the interest on and principal of the Previously Issued Senior Lien Bonds becoming due and payable and then to any amounts required to be made pursuant to the resolutions authorizing the Previously Issued Senior Lien Bonds. Subsequent to such payments for the Previously Issued Senior Lien Bonds, the Gross Sales Tax Revenues held in the Gross Sales Tax Revenue Fund are to be used to make payments to the New Series Debt Service Fund in amounts equal to one hundred percent (100%) of the interest on and principal of the Parity New Series Revenue Obligations then falling due and payable.

GENERAL COVENANT REGARDING THE SALES TAX . . . The Municipal Sales and Use Tax Act, Chapter 321 of the Tax Code, as amended, provides that the Sales Tax does not apply to the sale of a taxable item unless the item is also taxable under the Texas Limited Sales, Excise and Use Tax Act, Chapter 151 of the Tax Code, as amended. **The Sales Tax is therefore subject to broadening and reduction in the base against which it is levied by action of the State Legislature without the consent of the City or the Corporation.**

In the Resolutions, the Corporation covenants, agrees and warrants that, while any Parity New Series Revenue Obligations are outstanding, it will take and pursue all action permissible under applicable law to cause the Sales Tax, at its current rate (1/2 of 1%) or at a higher rate if legally permitted, to be levied and collected continuously in the manner and to the maximum extent permitted by applicable law; and to cause no reduction, abatement or exemption in the Sales Tax until all the Parity New Series Revenue Obligations have been paid in full or until they are lawfully defeased in accordance with the Resolutions. The Corporation also covenants and agrees that, if, subsequent to the issuance of the Bonds, the City is authorized by applicable law to impose and levy the Sales Tax on any items or transactions that are not subject to the Sales Tax on the date the Resolutions were adopted, then the Corporation will use its best efforts to cause the City to take such action as may be required by applicable law to subject such items or transactions to the Sales Tax.

OPTIONAL REDEMPTION. . . The Corporation reserves the right, at its option, to redeem Bonds having stated maturities on and after August 1, 2035, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. Additionally, the Corporation reserves the right to redeem Bonds having stated maturities on and after August 1, 2050, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the Corporation may select the maturities of Bonds to be redeemed. If less than all the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (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.

If two or more consecutive serial maturities of the Taxable Bonds and/or Tax-Exempt Bonds are grouped into a single maturity (the "Tax-Exempt Term Bonds" or "Taxable Term Bonds", as applicable, and collectively, the "Term Bonds") by the Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Resolutions and will be described in this Official Statement.

NOTICE OF REDEMPTION. . . Not less than 30 days prior to a redemption date for the Bonds, the Corporation shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds 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. In the Resolutions, the Corporation reserves the right in the case of a redemption to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) the Corporation retains the right to rescind such notice at any time prior to the scheduled redemption date if the Corporation delivers a certificate of the Corporation to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the Corporation to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

ANY NOTICES SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICES. NOTICES HAVING BEEN SO GIVEN, THE BONDS CALLED FOR OPTIONAL REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATES, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

The Paying Agent/Registrar and the Corporation, so long as a book-entry-only system is used for the Bonds will send any notice of redemption or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised or any such notice.

DEFEASANCE . . . The Resolutions provide that the Corporation may discharge its obligations to the registered owners of any or all of the Bonds to pay principal, interest and redemption price thereon (i) by irrevocably depositing with the Paying Agent/Registrar, or other lawfully authorized escrow agent, in trust a sum of money equal to the principal of, premium, if any, and all interest to accrue on such Bonds to maturity or redemption or (ii) by irrevocably depositing with the Paying Agent/Registrar, or other lawfully authorized escrow agent, in trust amounts sufficient, together with the investment earnings thereon, to provide for the payment and/or redemption of such Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Corporation adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iii) any combination of (i) and (ii) above. The foregoing obligations may be in book-entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds, as the case may be.

After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the Corporation to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the Corporation: (i) in the proceedings providing for the firm banking arrangements, expressly reserves the right to call Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

FLOW OF FUNDS. . . The Resolutions provide for the establishment and maintenance of the following funds and accounts for the application of the proceeds of the Bonds and for the Pledged Revenues with all revenues flowing first to the Gross Sales Tax Revenue Fund.

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Until such time as the Previously Issued Senior Lien Bonds are no longer outstanding, moneys on deposit in the Gross Sales Tax Revenue Fund shall be applied in the following order of priority:

GROSS SALES TAX REVENUE FUND	
PRIORITY	FUND [1]
First Priority	Previously Issued Senior Lien Bonds Debt Service Fund for the payment of the Previously Issued Senior Lien Bonds,
Second Priority	Previously Issued Senior Lien Bonds Reserve Fund to establish and maintain a Required Reserve for the Previously Issued Senior Lien Bonds,
Third Priority	To pay any amounts due to any bond insurer of Previously Issued Senior Lien Bonds for the Previously Issued Senior Lien Bonds not paid pursuant to the sections above,
Fourth Priority	To pay any amounts due to any issuer of a Previously Issued Senior Lien Bonds Reserve Fund Surety Bond not paid pursuant to the sections above,
Fifth Priority	Any other fund or account required by any resolution authorizing issuance of Previously Issued Senior Lien Bonds,
Sixth Priority	New Series Debt Service Fund for the payment of the Parity New Series Revenue Obligations,
Seventh Priority	On a pro rata basis, to each debt service reserve fund created by any resolution authorizing the issuance of Parity New Series Revenue Obligations, which contains less than the amount to be accumulated and/or maintained therein, as provided in such resolutions;
Eighth Priority	To pay any amounts due to any bond insurer of Parity New Series Revenue Obligations for the Parity New Series Revenue Obligations not paid pursuant to the sections above,
Ninth Priority	To pay any amounts due to any issuer of a New Series Reserve Fund Surety Bond not paid pursuant to the sections above,
Tenth Priority	Any other fund or account required by any resolution authorizing issuance of Parity New Series Revenue Obligations,
Eleventh Priority	Any other fund or account held at any place or places, or to any payee, required by any other resolution of the Board which authorized the issuance of obligations or the creation of debt of the Corporation having a lien on the Pledged Revenues subordinate to the lien created for the Parity New Series Revenue Obligations, and
Twelfth Priority	To the New Series Capital Improvement Fund to be used for paying costs of authorized projects the payment of which are not otherwise provided from the proceeds of Parity New Series Revenue Obligations, and for any other lawful purposes permitted under applicable law. The New Series Capital Improvement Fund at all times shall be free of any lien or pledge created by the Resolutions and the resolution or resolutions authorizing the issuance of Additional Parity Revenue Obligations.

(1) All funds are held by the Corporation's Depository Bank.

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At such time as there are no Previously Issued Senior Lien Bonds outstanding, moneys on deposit in the Gross Sales Tax Revenue Fund shall be applied in the following order of priority:

GROSS SALES TAX REVENUE FUND

PRIORITY	FUND [1]
First Priority	Debt Service Fund for the payment of the Parity New Series Revenue Obligations,
Second Priority	On a pro rata basis, to each debt service reserve fund created by any resolution authorizing the issuance of Parity New Series Revenue Obligations, which contains less than the amount to be accumulated and/or maintained therein, as provided in such resolutions;
Third Priority	To pay any amounts due to any bond insurer of Parity New Series Revenue Obligations for the Parity New Series Revenue Obligations not paid pursuant to the sections above,
Fourth Priority	To pay any amounts due to any issuer of a New Series Reserve Fund Surety Bond not paid pursuant to the sections above,
Fifth Priority	Any other fund required by any resolution authorizing issuance of Parity New Series Revenue Obligations,
Sixth Priority	Any other fund or account held at any place or places, or to any payee, required by any other resolution of the Board which authorized the issuance of obligations or the creation of debt of the Corporation having a lien on the Pledged Revenues subordinate to the lien created herein on behalf of the Parity New Series Revenue Obligations, and
Seventh Priority	To the New Series Capital Improvement Fund to be used for paying costs of authorized projects the payment of which are not otherwise provided from the proceeds of Parity New Series Revenue Obligations, and for any other lawful purposes permitted under applicable law. The New Series Capital Improvement Fund at all times shall be free of any lien or pledge created by the Resolutions and the resolution or resolutions authorizing the issuance of other Parity New Series Revenue Obligations.

See "Selected Provisions of the Resolutions" herein for additional information relating to the flow of funds.

RESERVE FUND REQUIREMENT. . . In each of the Resolutions, the Board has ordered to be created, solely for the benefit of the Taxable Bonds and the Tax-Exempt Bonds, as applicable, the separate New Series 2025 Taxable Bonds Reserve Fund and New Series 2025 Tax-Exempt Bonds Reserve Fund (collectively, the "2025 Reserve Funds"). The Resolutions provide that the Corporation may create and establish a debt service reserve fund pursuant to the provisions of any resolution or other instrument authorizing the issuance of Parity New Series Revenue Obligations for the purpose of securing that particular issue or series of Parity New Series Revenue Obligations or any specific group of issues or series of Parity New Series Revenue Obligations, and the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the particular Parity New Series Revenue Obligations for which such debt service reserve fund was established.

Amounts on deposit in the respective 2025 Reserve Funds shall be used for (i) the payment of the principal of and interest on the Taxable Bonds and Tax-Exempt Bonds, as applicable, when and to the extent other funds available for such purposes are insufficient, (ii) to make payments due under a Reserve Fund Surety Bond and (iii) with respect to funds and investments on deposit and credited to the respective 2025 Reserve Funds, to retire the last stated maturity or stated maturities of or interest on the Taxable Bonds and Tax-Exempt Bonds, as applicable. The 2025 Reserve Funds shall be maintained in an amount equal to the "Required Reserve" for the Taxable Bonds and Tax-Exempt Bonds, as applicable, which amount shall be equal to the maximum annual debt service requirements of the then outstanding Taxable Bonds and Tax-Exempt Bonds, as applicable, calculated on the date such Taxable Bonds and Tax-Exempt Bonds, as applicable, are issued and recalculated each October 1 thereafter.

If the respective 2025 Reserve Funds at any time contains less than the Required Reserve, the Corporation has agreed to cure the deficiency in the respective 2025 Reserve Funds by making monthly deposits and credits to the respective 2025 Reserve Funds in amounts equal to not less than 1/60th of the respective 2025 Reserve Funds Required Reserve; provided, however, that no such deposits shall be made into the respective 2025 Reserve Funds during any six month period beginning on February 1 and August 1 until there has been deposited into the Debt Service Fund the full amount required to be deposited therein by the next following February 1 and August 1, as the case may be. The Resolutions further provide that, subject only to the prior deposits and credits to be made for the Previously Issued Senior Lien Bonds and to the New Series Debt Service Fund, the Pledged Revenues shall be applied and appropriated and used to establish and maintain the respective 2025 Reserve Funds Required Reserve, including by paying payments under a Reserve Fund Surety Bond when due, and any reserve established for the benefit of any issue or series of Parity New Series Revenue Obligations and to cure any deficiency in such amounts as required by the terms of the Resolutions and any other resolution pertaining to the issuance of Parity New Series Revenue Obligations. Reimbursements to the provider, if any, of a Reserve Fund Surety Bond shall constitute the making up of a deficiency in the respective 2025 Reserve Funds to the extent that such reimbursements result in the reinstatement, in whole or in part, as the case may be, of the amount of the Reserve Fund Surety Bond.

The Corporation may at any time deposit, supplement, replace or substitute a Reserve Fund Surety Bond (defined in the Resolutions as any surety bond or insurance policy having a rating in the two highest generic rating categories by Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or Fitch Ratings, Inc., issued to the Corporation for the benefit of the Owners of the Taxable Bonds and/or Tax-Exempt Bonds, as applicable, to satisfy any part of the Required Reserve) for cash or investments on deposit in the respective 2025 Reserve Fund or in substitution for or replacement of any existing Reserve Fund Surety Bond. If the Corporation is required to make a withdrawal from any 2025 Reserve Fund for any of the purposes described above, the Corporation shall make such withdrawal first from available moneys or investments then on deposit in the respective 2025 Reserve Fund, and next from a drawing under any Reserve Fund Surety Bond to the extent of such deficiency. For a further description of the 2025 Reserve Funds, see "Selected Provisions of the Resolutions."

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds 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 Corporation and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

The Corporation and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption, or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption, or other notices, to the Beneficial Owners, 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 will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. 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 companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect 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 and www.dtc.org.

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

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

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

Redemption notices for the Bonds shall be sent to DTC. If less than all of the Bonds 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 and series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Paying Agent/Registrar of each series, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar of each series, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or Paying Agent/Registrar of each series, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Corporation may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor depository). In that event, Bonds 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 Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolutions 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, and is not to be construed as a representation by the Corporation, the Financial Advisor, or the Underwriters.

Effect of Termination of Book-Entry-Only System . . . In the event that the Book-Entry-Only System for the Bonds is discontinued, printed certificates will be issued to the DTC Participants or the holder, and such Bonds will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "The Bonds - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR. . . The initial Paying Agent/Registrar is U.S. Bank National Association, Dallas, Texas. In the Resolutions, the Corporation retains the right to replace the Paying Agent/Registrar. The Corporation covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds 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 Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the Corporation agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

TRANSFER, EXCHANGE AND REGISTRATION. . . In the event the Book-Entry-Only System should be discontinued, printed certificates will be delivered to the owners of the Bonds and thereafter, the Bonds 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. Bonds may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See "Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds. Neither the Corporation nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond 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 Bond.

RECORD DATE FOR INTEREST PAYMENT. . . The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the fifteenth day of the month next preceding such interest payment date.

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

BONDHOLDERS' REMEDIES . . . The Resolutions establish the following as Events of Default with respect to the Bonds: (i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or (ii) default in the performance or observance of any other covenant, agreement or obligation of the Corporation, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with the Resolutions, and the continuation thereof for a period of 30 days after notice of such default is given by any Owner to the Corporation; or (iii) an order of relief shall be issued by the Bankruptcy Court of the United States District Court having jurisdiction, granting the Corporation any relief under any applicable law, or any other court having valid jurisdiction shall issue an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, sequestrator, or other similar official for the Corporation as applicable, of any substantial part of its property, affairs or assets, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days. Upon any happening of any Event of Default and except as otherwise provided in the Resolutions, any Owner or an authorized representative, thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Corporation for the purpose of protecting and enforcing the rights of the Owners under the Resolutions, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained in the Resolutions, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners under the Resolutions or any combination of such remedies. It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all owners of the Bonds then outstanding. The Resolutions allow, but does not provide for a trustee to enforce the covenants and obligations of the Corporation. In no event will registered owners have the right to have the maturity of the Bonds accelerated as a remedy. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. No assurance can be given that a mandamus or other legal action to enforce a default under the Resolutions would be successful.

Furthermore, the Corporation is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Chapter 9 includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the Corporation avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Resolutions and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

BOND INSURANCE RISK FACTORS

GENERAL . . . The Corporation has submitted applications to municipal bond insurance companies to have the payment of the principal of and interest on the Bonds insured by a municipal bond insurance policies. If the Corporation obtains and accepts a commitment from a bond insurance company (the “Insurer”) to provide a municipal bond insurance policy relating to the Taxable Bonds and/or Tax-Exempt Bonds (collectively, the “Policy”), the final Official Statement shall disclose certain information relating to the Insurer and the Policy.

If municipal bond insurance is purchased for the Bonds, in the event of default of the scheduled payment of principal of or interest on the Bonds when all or a portion thereof becomes due, any owner of the Bonds shall have a claim against the Insurer of the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the Corporation which is recovered by the Corporation 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 Corporation (unless the Insurer chooses to pay such amounts at an earlier date).

Payment of principal of and interest on the Bonds is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist (see "The Bonds – Bondholders’ Remedies"). 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 Bondholders.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the ad valorem tax levied, without legal limit as to rate or amount, on all taxable property located within the Corporation. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Bonds.

If a Policy is acquired, the long-term ratings on the Bonds 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 Bonds, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Bonds. The obligations of the Insurer under the Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the Corporation, 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 business unit of Standard & Poor's Financial Services L.L.P., and Fitch Ratings (the "Rating Agencies") have, in the past, 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 are possible. 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 Bonds and the claims-paying ability of any such bond insurer, particularly over the life of the Bonds.

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DEBT INFORMATION

TABLE 1 – PRO-FORMA MANSFIELD ECONOMIC DEVELOPMENT CORPORATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Previously Issued Senior Lien Bonds Debt Service			Previously Issued New Series Bonds Debt Service			The Taxable Bonds[1]			The Tax-Exempt Bonds[2]			Total Debt Service	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total		
2025	$ 160,000	$ 55,487	$ 215,487	$ 910,000	$ 551,242	$ 1,461,242	$ -	$ 685,167	$ 685,167	$ -	$ 1,527,152	$ 1,527,152	$ 3,889,048	
2026	165,000	49,887	214,887	945,000	516,654	1,461,654	-	1,215,074	1,215,074	-	2,708,250	2,708,250	5,599,865	
2027	170,000	44,113	214,113	980,000	480,262	1,460,262	355,000	1,215,074	1,570,074	-	2,708,250	2,708,250	5,952,699	
2028	180,000	37,950	217,950	1,020,000	442,296	1,462,296	370,000	1,198,567	1,568,567	110,000	2,708,250	2,818,250	6,067,063	
2029	185,000	31,200	216,200	1,060,000	402,525	1,462,525	390,000	1,180,992	1,570,992	120,000	2,702,750	2,822,750	6,072,467	16.07%
2030	190,000	23,800	213,800	1,100,000	360,537	1,460,537	410,000	1,162,077	1,572,077	135,000	2,696,750	2,831,750	6,078,164	
2031	200,000	16,200	216,200	1,145,000	316,963	1,461,963	430,000	1,141,987	1,571,987	140,000	2,690,000	2,830,000	6,080,150	
2032	205,000	8,200	213,200	1,190,000	270,737	1,460,737	450,000	1,120,702	1,570,702	150,000	2,683,000	2,833,000	6,077,639	
2033	-	-	-	1,235,000	222,699	1,457,699	470,000	1,097,977	1,567,977	380,000	2,675,500	3,055,500	6,081,176	
2034	-	-	-	1,285,000	172,842	1,457,842	495,000	1,074,007	1,569,007	400,000	2,656,500	3,056,500	6,083,349	31.50%
2035	-	-	-	1,330,000	130,066	1,460,066	520,000	1,048,514	1,568,514	415,000	2,636,500	3,051,500	6,080,080	
2036	-	-	-	1,375,000	85,119	1,460,119	550,000	1,021,214	1,571,214	435,000	2,615,750	3,050,750	6,082,083	
2037	-	-	-	425,000	37,358	462,358	580,000	992,064	1,572,064	1,455,000	2,594,000	4,049,000	6,083,422	
2038	-	-	-	445,000	19,108	464,108	610,000	961,034	1,571,034	1,525,000	2,521,250	4,046,250	6,081,392	
2039	-	-	-	-	-	-	640,000	928,094	1,568,094	2,065,000	2,445,000	4,510,000	6,078,094	43.17%
2040	-	-	-	-	-	-	675,000	893,214	1,568,214	2,170,000	2,341,750	4,511,750	6,079,964	
2041	-	-	-	-	-	-	715,000	854,942	1,569,942	2,280,000	2,233,250	4,513,250	6,083,192	
2042	-	-	-	-	-	-	755,000	814,401	1,569,401	2,395,000	2,119,250	4,514,250	6,083,651	
2043	-	-	-	-	-	-	800,000	771,593	1,571,593	2,510,000	1,999,500	4,509,500	6,081,093	
2044	-	-	-	-	-	-	845,000	726,233	1,571,233	2,640,000	1,874,000	4,514,000	6,085,233	57.12%
2045	-	-	-	-	-	-	890,000	678,321	1,568,321	2,770,000	1,742,000	4,512,000	6,080,321	
2046	-	-	-	-	-	-	945,000	626,523	1,571,523	2,910,000	1,603,500	4,513,500	6,085,023	
2047	-	-	-	-	-	-	1,000,000	571,524	1,571,524	3,055,000	1,458,000	4,513,000	6,084,524	
2048	-	-	-	-	-	-	1,055,000	513,324	1,568,324	3,205,000	1,305,250	4,510,250	6,078,574	
2049	-	-	-	-	-	-	1,120,000	451,923	1,571,923	3,365,000	1,145,000	4,510,000	6,081,923	75.55%
2050	-	-	-	-	-	-	1,185,000	386,739	1,571,739	3,535,000	976,750	4,511,750	6,083,489	
2051	-	-	-	-	-	-	1,250,000	317,772	1,567,772	3,710,000	800,000	4,510,000	6,077,772	
2052	-	-	-	-	-	-	1,325,000	245,022	1,570,022	3,900,000	614,500	4,514,500	6,084,522	
2053	-	-	-	-	-	-	1,400,000	167,907	1,567,907	4,095,000	419,500	4,514,500	6,082,407	
2054	-	-	-	-	-	-	1,485,000	86,427	1,571,427	4,295,000	214,750	4,509,750	6,081,177	100.00%
	$ 1,455,000	$ 266,837	$ 1,721,837	$ 14,445,000	$ 4,008,408	$ 18,453,408	$ 21,715,000	$ 24,148,404	$ 45,863,404	$ 54,165,000	$ 59,415,902	$ 113,580,902	$ 179,619,550	

(1) Average life of the issue - 19.458 years. Interest on the Taxable Bonds has been calculated at the average rate of 5.76% for purposes of illustration. Preliminary, subject to change.
(2) Average life of the issue - 21.939 years. Interest on the Tax-Exempt Bonds has been calculated at the average rate of 4.67% for purposes of illustration. Preliminary, subject to change.

ANTICIPATED ISSUANCE OF ADDITIONAL DEBT . . . The Corporation does not anticipate the issuance of additional debt within the next twelve months.

THE SALES TAX

SOURCE AND AUTHORIZATION. . . The Sales Tax is a 1/2 of 1% limited sales and use tax imposed on all taxable transactions within the City as approved at the Election. The Sales Tax is authorized to be levied and collected against the receipts from the sale at retail of taxable items within the City. The Sales Tax also is an excise tax on the use, storage or other consumption of taxable tangible personal property purchased, leased or rented from a retailer within the City. The City currently levies an additional sales and use tax for City purposes totaling 1 ½ % in accordance with State law and is restricted in use by current law. The imposition, computation, administration, governance, abolition and use of the Sales Tax is governed by the Texas Limited Sales, Excise, and Use Tax Act except to the extent that there is conflict with the Act, in which case the provisions of the Act control as to the Bonds, and by the Municipal Sales and Use Tax Act, and reference is made thereto for a more complete description of the Sales Tax.

In general, as applied to the Sales Tax, a taxable item includes any tangible personal property and certain taxable services. "Taxable services" include certain amusement services, cable television services, motor vehicle parking and storage services, the repair, maintenance and restoration of most tangible personal property, certain telecommunication services, credit reporting services, debt collection services, insurance services, information services, real property services, data processing services, real property repair and remodeling, security services, internet access services, and distribution utility of transmission or delivery of service directly to an electricity end-use customer whose consumption of electricity is subject to taxation under Chapter 151 of the Texas Tax Code. Certain items are exempted by State law from sales and use taxes, including items purchased for resale, food products (except food products which are sold for immediate consumption, e.g. by restaurants, lunch counters, etc.), health care supplies (including medicines, corrective lens and various therapeutic appliances and devices), agricultural items (if the item is to be used exclusively on a farm or ranch or in the production of agricultural products), timber for sale or agricultural aircraft operations, gas and electricity purchased for residential use (unless a city has taken steps to repeal the exemption), and certain telecommunications services, newspapers and magazines. In addition, items which are taxed under other State laws are generally exempted from sales taxes, except that the following are exempt from the sales taxes: mixed beverages, ice or nonalcoholic beverages that are subject to State alcohol taxes (there is no local component of the State alcohol taxes and, thus, the City would not receive any revenue with respect to such sales) and alcoholic beverages when sold to the holder of a private club registration permit under certain circumstances. These items include certain natural resources, cement, motor vehicles and insurance premiums. Alcohol and tobacco products are taxed under both State alcohol and tobacco taxes as well as through the sales taxes. In addition, purchases made by various exempt organizations are not subject to the sales and use taxes. Such organizations include the federal and state governments, political subdivisions, Indian tribes, religious institutions and certain charitable organizations and non-profit corporations. Also, State law provides an exemption from sales taxes on items purchased under a contract in effect when the legislation authorizing such tax (or the increase in the rate thereof) is enacted, up to a maximum of three years.

In general, a sale of a taxable item is deemed to occur within the municipality, county or special district in which the sale is consummated. The tax levied on the use, storage or consumption of tangible personal property is considered to be consummated at the location where the item is first stored, used or consumed. Thus, the use is considered to be consummated in a municipality, and the tax is levied there if the item is shipped from outside the state to a point within the municipality.

In addition to the local sales and use taxes levied, as described above, the State levies and collects a 6 ¼% sales and use tax against essentially the same taxable items and transactions as the Sales Tax is levied. Under current State law, the maximum aggregate sales and use tax which may be levied within a given area by an authorized political subdivision within such area, including the State, is 8 ¼%. The current aggregate sales and use tax levied in the City is 8 ¼% of which 6 ¼% is levied by the State, 1% is levied by the City, ½ of 1% is levied for the benefit of the Corporation and ½ of 1% is levied as the Sales Tax for the benefit of the Mansfield Park Facilities Development Corporation.

The Comptroller administers and enforces all sales tax laws and collects all sales and use taxes levied by the State, and levying counties, municipalities and other special districts having sales tax powers. Certain limited items are taxed for the benefit of the State under nonsales tax statutes, such as certain natural resources and other items described above, and are not subject to the sales tax base available to municipalities and counties, including the tax base against which the Sales Tax is levied. Municipalities may by local option determine to tax certain telecommunication services on the same basis as the State taxes such services (some aspects of telecommunication services, such as interstate telephone calls and broadcasts regulated by the FCC are not subject to either State or local taxation). The City has opted to repeal the local telecommunication services exemption. With respect to the taxation of the residential use of gas and electricity, the State is not authorized to collect a sales tax, while municipalities, on a local option basis, may tax such use. The City has opted to tax the residential use of gas and electricity.

With certain exceptions, sales and use taxes in the State are collected at the point of sale and are remitted to the Comptroller by the "taxpayer" who is, generally speaking, the business that collects the tax resulting from a taxable transaction. Taxpayers owing $500 or more sales and use tax dollars in a calendar month submit their tax collections to the Comptroller on a monthly basis; taxpayers owing less than $500 sales and use tax dollars in a calendar month but $1,500 or more in a calendar quarter submit their tax collections quarterly; and taxpayers owing less than $1,500 in a calendar quarter submit their tax collections annually. Taxpayers are required to report and remit to the Comptroller by the 20th day of the month following the end of the reporting period. The reporting period for yearly filers ends each December 31; for quarterly filers, the reporting period ends at the end of each calendar quarter; and monthly filers report and remit by the 20th of each month for the previous month. The Comptroller is required by law to distribute funds to the receiving political subdivisions periodically and as promptly as feasible but, not less frequently than twice during each fiscal year of the State. Historically, and at the present time, the Comptroller distributes the funds monthly with the largest payments being made quarterly in February, May, August and November. The Comptroller maintains a direct deposit program using electronic funds transfers to expedite the distribution of monthly allocation checks. If a political subdivision desires to participate in the electronic funds transfers, it may make application to the Comptroller. The City participates in this program. Otherwise, the Comptroller mails the monthly allocation check, which is typically received by the middle of the month following the month in which the taxpayer reports and remits payment on the tax.

The Comptroller is responsible for enforcing the collection of sales and use taxes in the State. Under State law, the Comptroller utilizes sales tax permits, sales tax bonds and audits to encourage timely payment of sales and use taxes. Each entity selling, renting, leasing or otherwise providing taxable goods or services is required to have a sales tax permit. Permits are required for each individual location of a taxpayer and are valid for only one year, requiring an annual renewal. As a general rule, every person who applies for a sales tax permit for the first time, or who becomes delinquent in paying the sales or use tax, is required to post a bond in an amount sufficient to protect against the failure to pay taxes. The Comptroller's audit procedures include auditing the largest 2% of the sales and use tax taxpayers (who report about 65% of all sales and use tax in the State annually), each every three or four years. Other taxpayers are selected at random or upon some other basis for audits. The Comptroller also engages in taxpayer education programs and mails a report to each taxpayer before the last day of the month, quarter or year that it covers.

Once a taxpayer becomes delinquent in the payment of a sales or use tax, the Comptroller may collect the delinquent tax by using one or more of the following methods; (i) collection by an automated collection center or local field office, (ii) estimating the taxpayers' liability based on the highest amount due in the previous 12 months and billing them for it, (iii) filing liens and requiring a new or increased payment bond, (iv) utilizing forced collection procedures such as seizing assets of the taxpayer (e.g., a checking account) or freezing assets of the taxpayer that are in the custody of third parties, (v) removing a taxpayer's sales and use tax permit, and (vi) certifying the account to the Attorney General's Office to file suit for collection. A municipality may not sue for delinquent taxes unless it joins the Attorney General as a plaintiff or unless it first receives the permission of the Attorney General and the Comptroller.

The Comptroller retains 2% of the tax receipts for collection of the tax; additionally, under State law, a taxpayer may deduct and withhold 1/2% of the amount of taxes due on a timely return as reimbursement for the cost of collecting the sales and use taxes. In addition, a taxpayer who prepays its tax liability on the basis of a reasonable estimate of the tax liability for a month or quarter in which a prepayment is made, may deduct and withhold 1 1/4% of the amount of the prepayment in addition to the 1/2% allowed for the cost of collecting the sales and use tax.

INVESTOR CONSIDERATIONS. . . *The following is a discussion of certain investment considerations that should be considered by any prospective purchaser of the Bonds prior to an investment in the Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with the other parts of this Official Statement, including the Appendices hereto.*

The primary source of security for the Bonds will be certain receipts of the Sales Tax received by the City for the benefit of the Corporation. The amount of revenues from the Sales Tax is closely related to the amount of economic activity in the City. Sales and use tax receipts, unlike other taxes levied by municipalities, immediately reflect changes in the economic conditions of a municipality. The City could be subjected to economic events that slow sales tax growth, or result in an annual decline in collections. The City cannot predict such events, but they could arise from increased environmental regulations, downturns in financial and credit markets, cyclical housing and commercial development activity, changes in Federal and State tax policies, including the implementation of value added taxation measures, among other factors.

Increases in Internet sales may result in a decrease in Sales Tax revenue to the Corporation. The emergence of Internet sales and services and issues related to taxation of such sales and services have been the subject of review and study at the state and national level. In October 1998, the United States Congress enacted the Internet Tax Freedom Act which provided a three year moratorium on certain aspects of taxation of the Internet (existing taxes imposed by the State were exempted from the moratorium). Congress extended the moratorium eight times until the permanent Internet Tax Freedom Act was passed and became law on February 24, 2016. Federal law prevents state and local governments from imposing their sales tax on the monthly payments that consumers make to their Internet service provider in exchange for access to the Internet. The emergence of internet sales and services and issues related to taxation of such sales and services have been the subject of review and study at the State and national level. Internet sales have likely resulted in a decrease in Sales Tax revenue to the Corporation. However, in June of 2018, the U.S. Supreme Court, in reversal of a principle set out by the Court in 1992 (Quill Corp. v. North Dakota, 504 U.S. 298 (1992)), determined that the Commerce Clause of the U.S. Constitution would not prohibit state and local governmental entities from collecting sales tax on goods sold to buyers for delivery in a state, even though a business that made the sale did not have a physical presence in the state. (See South Dakota v. Wayfair, Inc., 2018 U.S. Lexis 3835 (2018)) ("Wayfair"). During the 86th Texas Legislative Session, certain laws were passed regarding the collection of sales taxes in response to the United States Supreme Court decision in Wayfair. H.B.1525, effective October 1, 2019, amended Chapters 151, 321 and 323, Texas Tax Code, by amending the definitions of "seller" and "retailer" to include a "Marketplace" provider and to require such Marketplace provider to collect and remit to the Comptroller sales and use taxes on items sold in Texas on electronic mediums, including internet websites and software applications. H.B. 2153, effective October 1, 2019, amended the Texas Tax Code by establishing a single local use tax rate that "remote" (out-of-state) sellers may elect to use. Chapter 151 of the Texas Tax Code, as amended, now authorizes the Comptroller to adopt rules that establishes a single local tax rate for use by remote sellers.

Pursuant to such legislation, the Comptroller finalized approval of the adopted rules as amendments to Texas Administrative Code Rule 3.334. Among other matters, the amendments change the current local sales tax sourcing rule from the place of origin to the place of destination for all internet orders. Such amendments were set to become effective on October 1, 2021. Certain Texas cities were granted an injunction prohibiting the Comptroller from implementing such amendments to the sourcing of local sales tax collection. The injunction remained in effect until a hearing held in August of 2022, where the court found that the procedural requirements for implementing the change were not followed and charged the Comptroller with revision or readopting the rule change through established procedures. The Comptroller amended the rule to be effective January 30, 2023. The Corporation cannot determine at this time what effect, if any, the new legislation and adopted rules might have in the future with respect to its Sales Tax revenues.

Legislative changes relating to the taxation of Internet sales and services, and any effect of such changes on the Sales Tax received by the Corporation, cannot be predicted at this time.

Although State law protects sales tax data of individual taxpayers, the City is entitled to confidential information from remitters of sales taxes in the City, which it uses to monitor collection efforts of the Comptroller and to target economic development objectives. The availability of such information has made the City aware that large “big box” retailers or other entities could produce a significant percentage of Sales Tax revenues for the Corporation, and that such entities can have business reversals, may occasionally redirect resources and may relocate from the City, thereby potentially adversely affecting Sales Tax revenues. The City and its instrumentalities, including the Corporation, use economic development incentives, zoning and other City services in accordance with strategies designed to retain and attract new businesses to the City, although such efforts are subject to competition from other municipalities in the area, in the State and nationally. In accordance with the Act, the Corporation may enter into economic development incentive agreements with business entities, and such agreements may include rebates or grants equal to substantial portions of Sales Tax revenues collected from business entities and the Corporation may agree to provide such rebates or grants over multiple year periods. The Corporation has not entered into such agreements in the past but may do so in the future, assuming sufficient revenues are available to fund such agreements.

Historically, the Comptroller has remitted sales and use tax allocation checks to municipalities on a monthly basis, but State law currently requires that such allocation be made at least twice annually and such procedures could change in the future. Additionally, the taxable items and services subject to State and local sales and use taxes are subject to legislative action, and have been changed in recent years by the State Legislature. State law provides that the Sales Tax cannot be levied against any taxable item or service unless such item or service is also subject to the State sales and use tax.

The State Legislature has enacted laws permitting the State, together with its political subdivisions, to levy sales and use taxes of up to 8 1/4%, which is among the highest sales tax rates in the nation (although the State has no personal or corporate income tax), and the current total sales and use tax rate within the City's boundaries is 8 ¼ % (including State, City and Mansfield Park Facilities Development Corporation taxes as well as the Sales Tax). The rate of the sales and use taxes authorized in the State could be further increased by the State Legislature and the Corporation has no way of predicting any such increase or the effect that would have on the Sales Tax which secures the Bonds. State leaders have appointed committees to study methods of achieving greater tax equity within the State's tax system. Any changes which may be enacted by the State Legislature could affect the tax base against which the Sales Tax is levied; and the City (and hence the Corporation as the beneficiary of the City's action), except in certain limited instances described below, has no control over the components of the tax base. Neither the City nor the Corporation currently has statutory authority to increase or decrease the maximum authorized rate of the Sales Tax.

Tax receipts received by the Corporation are expected to be subject to seasonal variations and to variations caused by the State laws and administrative practices governing the remittance of sales and use tax receipts which authorize different taxpayers to remit the tax receipts at different times throughout the year.

The Sales Tax is collected by the Comptroller and remitted to the City along with other City sales and use tax receipts. The City allocates a portion of the receipts to the Corporation which represents the 1/2 of 1% tax rate of the Sales Tax. Generally, sales and use taxes in the State are collected at the point of a taxable transaction and remitted by the taxpayer to the Comptroller. The Comptroller has the primary responsibility for enforcing sales and use tax laws and collecting delinquent taxes. The collection efforts of the Comptroller are subject to applicable federal bankruptcy code provisions with respect to the protection of debtors.

Changes in the tax base against which a sales and use tax is assessed, as well as changes in the rate of such taxes, make projections of future tax revenue collections very uncertain. No independent projections have been made with respect to the revenues available to pay debt service on the Bonds.

TABLE 2 - HISTORICAL CITY RECEIPTS OF 1/2% SALES TAX

Month of Receipt	1/2% Sales Tax Collections Fiscal 2023/24	1/2% Sales Tax Collections Fiscal 2022/23	1/2% Sales Tax Collections Fiscal 2021/22	1/2% Sales Tax Collections Fiscal 2020/21	1/2% Sales Tax Collections Fiscal 2019/20
October	$ 767,250	$ 745,564	$ 817,695	$ 709,874	$ 613,837
November	788,624	867,887	670,718	568,810	531,028
December	940,225	863,271	716,792	579,289	518,512
January	756,005	768,607	921,064	797,991	769,496
February	956,313	1,036,653	640,631	556,192	493,528
March	937,418	721,299	564,121	485,725	459,077
April	751,414	689,299	854,217	817,504	584,215
May	801,515	895,485	696,404	654,224	468,103
June	1,017,502	703,288	751,462	660,775	549,197
July	869,725	784,698	941,931	806,466	713,418
August	833,159	905,955	758,187	690,926	549,314
September	937,743	772,016	745,564	658,388	544,248
Totals	$ 10,356,894	$ 9,754,021	$ 9,078,786	$ 7,986,165	$ 6,793,973

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Source: Texas Comptroller of Public Accounts

TABLE 3 - CALCULATION OF COVERAGE FOR THE ISSUANCE OF ADDITIONAL BONDS[1]

Sales Tax Collection for Fiscal Year Ended 9/30/24	$ 10,356,894	(2)
Maximum Annual Debt Service Fiscal Year 2044	$ 6,085,233	
Coverage of Maximum Requirements	1.70x	
Average Annual Debt Service 2025-2054	$ 5,987,318	
Coverage of Average Requirements	1.73x	
New Series 2025 Taxable Bonds Reserve Fund	$ -	(3)
New Series 2025 Tax Exempt Bonds Reserve Fund	$ -	(3)
Previously Issued Senior Lien Bond Reserve Fund for outstanding Previously Issued Senior Lien Bonds	$ 259,526	(4)

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(1) Includes the Previously Issued Senior Lien Bonds, the Previously Issued New Series Bonds and the Bonds. Preliminary, subject to change.
(2) Unaudited.
(3) Upon issuance of the Bonds, the New Series 2025 Taxable Reserve Fund and the New Series 2025 Tax-Exempt Reserve Fund are expected to be funded with separate New Series Reserve Fund Surety Bonds.
(4) Amounts on deposit in the Previously Issued Senior lien Bonds Reserve Funds **ARE NOT** available to pay debt service on the Bonds.

TABLE 4 - HISTORICAL CORPORATION REVENUES AND EXPENDITURES

	Fiscal Years Ended September 30,				
	2023	2022	2021	2020	2019
Revenues:					
Taxes, Penalties, and Interest	$ 9,806,805	$ 9,097,314	$ 8,003,914	$ 6,810,710	$ 6,247,275
Interest Income	572,159	51,823	1,565	40,409	99,815
Contributions	-	-	-	-	3,054,050
Miscellaneous	-	18,085	6,181,329	-	919
Total Revenues	$ 10,378,964	$ 9,167,222	$ 14,186,808	$ 6,851,119	$ 9,402,059
Expenditures:					
Administration	$ 3,881,725	$ 1,452,790	$ 4,386,149	$ 2,748,694	$ 946,030
Projects	-	758	6,670	239,770	5,352,783
Debt Service, and Related Costs	2,656,622	2,663,531	2,666,158	2,653,800	2,660,049
Capital Outlay	295,910	2,081,062	7,090,638	1,856,132	-
Total Expenditures	$ 6,834,257	$ 6,198,141	$ 14,149,615	$ 7,498,396	$ 8,958,862
Excess (Deficiency) of Revenue Over Expenditures	3,544,707	2,969,081	37,193	(647,277)	443,197
Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -
Bonds Issued, net					
Sale of Capital Assets	388,613	-	-	-	1,783,937
Total Other Financing Sources (Uses)	$ 388,613	$ -	$ -	$ -	$ 1,783,937
Beginning Fund Balance[(1)]	12,794,910	9,825,829	9,788,636	10,435,913	8,208,779
Ending Fund Balance[(1)]	$ 16,728,230	$ 12,794,910	$ 9,825,829	$ 9,788,636	$ 10,435,913

(1) These amounts do not constitute Pledged Funds and are not pledged to the payment of the Bonds.

OTHER ACTIVITY OF THE CORPORATION

The Corporation was established to promote, encourage and incentivize economic development within the City. Since its inception, the Corporation has promoted industrial and commercial development through incentive agreements that are designed to encourage existing business expansion and new business growth within the City. Since inception, the Corporation has assisted over 200 companies in making the City their home by providing over $40 million in economic assistance. In return, these companies have made cumulative capital investments of over $950 million and created over 6,000 jobs within the City.

In continuance of the City's economic development program, the Corporation has made additional commitments to incentivize industry over the next several years. These commitments are generally contingent upon the industry's capital investments and creation of new jobs or other criteria determined by the Corporation. The arrangements vary in amounts and allow for reimbursements for capital costs or expansion costs incurred by these industries. These commitments require stringent performance commitments by the respective industries to qualify for the incentives. To date, the Corporation has made commitments to be administered over the next several years in the amounts of $5.4 million in year 2024, $12.6 million in 2025, $8.5 million in 2026, $6.3 million in 2027, and $4 million in 2028. These commitments and amounts may change from year to year depending upon the performance of the industries, and their ability to meet the performance standards as established by the Corporation. In the event the Corporation deems the industries performance insufficient, the Corporation can restructure, extend, void or recover the commitments.

The commitments of the Corporation described in the two preceding paragraphs are not secured by a pledge of or lien on Pledged Revenues securing the New Series Parity Revenue Obligations or the Bonds, or any security.

SELECTED PROVISIONS OF THE RESOLUTIONS

The following are certain provisions of the New Series Taxable 2025 Resolution and the New Series Tax-Exempt 2025 Resolution (collectively, the "Resolutions"). These provisions are not to be considered a full statement of the terms of the Resolutions. Accordingly, these selected provisions are qualified in their entirety by reference to the Resolutions and are subject to the full texts thereof.

Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Resolution the following terms shall have the meanings specified below:

"Additional Parity New Series Revenue Obligations" means the additional sales tax revenue bonds the Corporation reserves the right to issue on a parity with the Parity New Series Revenue Obligations.

"Authorized Officer" means the President, Vice President, or Secretary of the Corporation or any other officer or employee of the Corporation, or any other person authorized to perform specific acts or duties by the Board or its bylaws.

"Board" means the Board of Directors of the Corporation.

"Bond" means any of the Bonds.

"Bonds" means the Corporation's Series 2025 Taxable Bonds and the Corporation's Series 2025 Tax-Exempt Bonds.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

"Comptroller" means the Comptroller of Public Accounts of the State of Texas and any successor officer or official that may be charged by law with the duty of collecting Gross Sales Tax Revenues for the account of, and remitting the same to, the City for the account of the Corporation.

"Corporation Order" means a written order signed in the name of the Corporation by an Authorized Officer and delivered to the Paying Agent, or another party hereunder.

"Corporation Projects" means all properties, including land, buildings, and equipment of the types added to the definition of "projects" by the Act that are approved by the Board as necessary and appropriate to fulfill and carry out the purposes of the Corporation.

"Costs of the Project" means all items of costs of or attributable to the Project and defined as "Costs" in the Act.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named herein, its corporate trust office in Dallas, Texas, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the Corporation and such successor.

"Event of Default" means any Event of Default as defined in the New Series 2018 Resolution.

"Fiscal Year" means October 1 through September 30.

"Gross Sales Tax Revenue Fund" means the special fund so designated in the New Series 2025 Resolutions.

"Gross Sales Tax Revenues" means all of the revenues due or owing to, or collected or received by or on behalf of the Corporation, whether by the City or otherwise, pursuant to the Sales Tax Collection Resolution or the New Series Resolution, or the resolutions authorizing the Previously Issued Senior Lien Bonds or any Additional Parity New Series Revenue Obligations, from or by reason of the levy of the Sales Tax, less any amounts due or owing to the Comptroller as charges for collection or retentions by the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by law.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until the maturity of the Bonds, such dates being February 1 and August 1 of each year commencing August 1, 2025.

“New Series Bonds” means collectively, the Series 2025 Taxable Bonds, the Series 2025 Tax-Exempt Bonds and the Previously Issued New Series Bonds.

“New Series Debt Service Fund” means the debt service fund established by the New Series Resolutions.

“New Series Reserve Fund” means the reserve fund established by the New Series Resolutions.

“New Series Reserve Fund Obligations” means cash or investments securities of any of the type or types permitted under the New Series Resolutions.

“New Series Reserve Fund Surety Bond” means any surety bond or insurance policy having a rating in the two highest generic rating categories by Moody’s Investors Service, Inc., Standard & Poor’s Ratings Services, a division of Standard & Poor’s Financial Services LLC, or Fitch Ratings, Inc., issued to the Corporation for the benefit of the Owners of the Bonds to satisfy any part of the Required Reserve as provided in the New Series 2018 Resolution.

“New Series Resolution” means, collectively, the New Series 2025 Resolutions, the resolutions authorizing the Previously Issued New Series Bonds and any resolutions authorizing Additional New Series Parity Revenue Obligations.

“New Series 2025 Resolutions” means collectively, the New Series Taxable 2025 Resolution and the New Series Tax-Exempt 2025 Resolution.

“New Series Taxable 2025 Resolution” means the resolution of the Corporation authorizing the issuance of the Series 2025 Taxable Bonds.

“New Series Tax-Exempt 2025 Resolution” means the resolution of the Corporation authorizing the issuance of the Series 2025 Tax-Exempt Bonds.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Parity New Series Revenue Obligations” means the Bonds, the Previously Issued New Series Bonds and any Additional Parity New Series Revenue Obligations.

“Paying Agent/Registrar” means U.S. Bank National Association, any successor thereto or an entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Resolution.

“Pledged Funds” means collectively (a) amounts on deposit in the Gross Sales Tax Revenue Fund, (b) amounts on deposit in the New Series Debt Service Fund, (c) amounts on deposit in the New Series Reserve Fund, together with any investments or earnings belonging to said funds, and (d) any additional revenues, other moneys or funds of the Corporation which heretofore have been or hereafter may be expressly and specifically pledged to the payment of the Parity New Series Revenue Obligations.

“Pledged Revenues” means (a) Gross Sales Tax Revenues from time to time deposited or owing to the Gross Sales Tax Revenue Fund, and (b) such other money, income, revenues or other property which the Corporation may expressly and specifically pledge to the payment of Parity New Series Revenue Obligations.

“Previously Issued New Series Bonds” means the outstanding and unpaid revenue bonds of the Corporation designated as follows: (1) Sales Tax Revenue Bonds, New Series 2016, dated October 1, 2016; and (2) Sales Tax Revenue Bonds, Taxable New Series 2018, dated January 15, 2018.

“Previously Issued Senior Lien Bonds” means the outstanding and unpaid revenue bonds of the Corporation designated as following: Sales Tax Revenue Bonds, Series 2012, dated December 1, 2012.

“Previously Issued Senior Lien Bonds Debt Service Fund” means the “Debt Service Fund” created and confirmed in the Previously Issued Senior Lien Bond Resolution.

“Previously Issued Senior Lien Bonds Reserve Fund” means the “Reserve Fund” created and confirmed in the Previously Issued Senior Lien Bond Resolution for the benefit of the Previously Issued Senior Lien Bonds.

“Previously Issued Senior Lien Bond Resolution” means, collectively, the Resolutions authorizing the Previously Issued Senior Lien Bonds.

“Project” means designing, developing and constructing a professional multi-sport stadium and related infrastructure in the City.

“Record Date” means the 15th of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a) of this Resolution.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Sales Tax” means the one-half of one percent local sales and use tax authorized under the Act approved by the voters of the City on January 18, 1997, and heretofore authorized and levied by the City within its existing boundaries, and hereafter required to be levied and collected within any expanded areas included within the City pursuant to the Act, together with any increases in the rate thereof if provided and authorized by applicable law.

“Sales Tax Collection Resolution” means that certain resolution adopted concurrently by the Board and the governing body of the City on May 24, 2004 entitled “Providing for the Collection, Handling and Transfer of Sales Tax Revenues Due and Owing to Mansfield Economic Development Corporation.”

“Series 2025 Taxable Bonds” means the Corporation’s Mansfield Economic Development Corporation Sales Tax Revenue Bonds, Taxable New Series 2025” authorized to be issued by Section 3.01 of the New Series Taxable 2025 Resolution.

“Series 2025 Tax-Exempt Bonds” means the Corporation’s Mansfield Economic Development Corporation Sales Tax Revenue Bonds, Tax-Exempt New Series 2025” authorized to be issued by Section 3.01 of the New Series Tax-Exempt 2025 Resolution.

Confirmation and Levy of Sales Tax.

(a) In the New Series 2025 Resolutions, the Corporation confirms the earlier levy by the City of the Sales Tax at the rate voted at the election held by and within the City on January 18, 1997, and the Corporation hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time.

(b) For so long as any Previously Issued Senior Lien Bonds or Parity New Series Revenue Obligations are outstanding, the Corporation covenants, agrees and warrants to take and pursue all action permissible under applicable law to cause the Sales Tax, at said rate, or at a higher rate if permitted by applicable law, to be levied and collected continuously, in the manner and to the maximum extent permitted by applicable law, and to cause no reduction, abatement or exemption in the Sales Tax or rate of tax below the rate stated, confirmed and ordered in subsection (a) of this Section to be ordered or permitted so long as any Previously Issued Senior Lien Bonds or Parity New Series Revenue Obligations shall remain outstanding.

(c) If the City shall be authorized hereafter by applicable law to apply, impose and levy the Sales Tax on any taxable items or transactions that are not subject to the Sales Tax on the date of the adoption hereof, the Corporation, to the extent it legally may do so; hereby covenants and agrees to use its best efforts to cause the City to take such action as may be required by applicable law to subject such taxable items or transactions to the Sales Tax.

(d) The Corporation agrees to take and pursue all action permissible under applicable law to cause the Sales Tax to be collected and remitted and deposited as herein required and as required by the Act, at the earliest and most frequent times permitted by applicable law.

(e) The Corporation agrees and covenants at all times, and to use its best efforts to cause the City, to comply with the Sales Tax Collection Resolution.

Pledge.

(a) In the New Series 2025 Resolutions, the Corporation irrevocably pledges (i) the Pledged Revenues, and (ii) the Pledged Funds (A) to the payment of the principal of, and the interest and any premiums on, (B) all Parity New Series Revenue Obligations which are or may be outstanding from time to time, and (C) to the establishment and maintenance of the New Series Reserve Fund.

(b) The provisions, covenants, pledge and lien on and against the Pledged Revenues are established and shall be for the equal benefit, protection and security of the Owners of the Parity New Series Revenue Obligations without distinction as to priority and rights.

(c) The Parity New Series Revenue Obligations, including interest payable thereon, shall constitute special obligations of the Corporation, payable solely from and secured by an irrevocable lien on and pledge of the Pledged Revenues and Pledged Funds, and not from any other revenues, properties or income of the Corporation, such lien and pledge, however, being in all things junior and subordinate to the lien on and pledge of the Pledged Revenues and Pledged

Funds made for the security and payment of the Previously Issued Senior Lien Bonds and to the deposits required by the Previously Issued Senior Lien Bond Resolution to be made to the various funds and accounts as security for the Previously Issued Senior Lien Bonds. Provided further, however, at such time as all of the Previously Issued Senior Lien Bonds are no longer outstanding, the Parity New Series Revenue Obligations shall be equally and ratably secured by and payable from an irrevocable first lien on and pledge of the Pledged Revenues. Parity New Series Revenue Obligations shall not constitute debts or obligations of the State or of the City, and the Owners of the Parity New Series Revenue Obligations shall never have the right to demand payment out of any funds raised or to be raised by ad valorem taxation. The Parity New Series Revenue Obligations do not give rise to a claim for payment against the City except as to Sales Tax Revenues held by the City and required by the Act to be paid over to the Corporation.

Resolution as Security Agreement.

(a) Executed copies of the respective New Series 2025 Resolutions shall constitute a security agreement pursuant to applicable law, with the Owners as the secured parties. The lien, pledge, and security interest of the Owners created in the New Series 2025 Resolutions shall become effective immediately upon the Closing Date of the Bonds, and the same shall be continuously effective for so long as any Bonds are outstanding.

(b) A fully executed copy of the respective New Series 2025 Resolutions and the proceedings authorizing it shall be filed as a security agreement among the permanent records of the Corporation. Such records shall be open for inspection to any member of the general public and to any person proposing to do or doing business with, or asserting claims against, the Corporation, at all times during regular business hours.

Application of Chapter 1208, Government Code.

Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the revenues granted by the Corporation under the New Series 2025 Resolutions, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the revenues granted by the Corporation under the New Series 2025 Resolutions is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Corporation agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Creation and Confirmation of Funds.

(a) The Corporation hereby creates, establishes and confirms the following funds to be held at the Corporation's depository bank:

(i) "Mansfield Economic Development Corporation Previously Issued Senior Lien Bonds Det Service Fund" created pursuant to the Previously Issued Senior Lien Bond Resolution, herein called the "Previously Issued Senior Lien Bonds Debt Service Fund";

(ii) "Mansfield Economic Development Corporation Previously Issued Senior Lien Bonds Reserve Fund" created pursuant to the Previously Issued Senior Lien Bond Resolution, herein called the "Previously Issued Senior Lien Bonds Reserve Fund;"

(iii) "Mansfield Economic Development Corporation Gross Sales Tax Revenue Fund" created pursuant to the Previously Issued Senior Lien Bond Resolution, herein called the "Gross Sales Tax Revenue Fund;"

(iv) "Mansfield Economic Development Corporation New Series Debt Service Fund" created pursuant to the New Series Resolution, herein called the "New Series Debt Service Fund;"

(v) "Mansfield Economic Development Corporation New Series 2016 Bonds Reserve Fund" created pursuant to the resolution authorizing the New Series 2016 Bonds, herein called the "New Series 2016 Bonds Reserve Fund;"

(vi) "Mansfield Economic Development Corporation New Series 2018 Taxable Bonds Reserve Fund" created pursuant to the New Series 2018 Resolution, herein called the "New Series 2018 Taxable Bonds Reserve Fund;"

(vii) "Mansfield Economic Development Corporation New Series 2025 Taxable Bonds Reserve Fund" created pursuant to the New Series Taxable 2025 Resolution, herein called the "New Series 2025 Taxable Bonds Reserve Fund;"

(viiii) Mansfield Economic Development Corporation New Series 2025 Tax-Exempt Bonds Reserve Fund" created pursuant to the New Series Tax-Exempt 2025 Resolution, herein called the "New Series 2025 Tax-Exempt Bonds Reserve Fund;"

(ix) "Mansfield Economic Development Corporation Previously Issued Senior Lien Bonds Project Development Fund" created pursuant to the Previously Issued Senior Lien Bond Resolution, herein called the "Previously Issued Senior Lien Bonds Project Development Fund;"

(x) "Mansfield Economic Development Corporation New Series Bonds Project Development Fund" created pursuant to the New Series Resolution, herein called the New Series Project Development Fund;" and

(xi) "Mansfield Economic Development Corporation New Series Capital Improvement Fund."

(b) The Previously Issued Senior Lien Bonds Debt Service Fund shall be maintained for the benefit of the Owners of the Previously Issued Senior Lien Bonds. Money on deposit in the Previously Issued Senior Lien Bonds Debt Service Fund shall be used to pay the principal of, premium, if any, and interest on the Previously Issued Senior Lien Bonds when and as the same shall become due and payable.

(c) The Previously Issued Senior Lien Bonds Reserve Fund shall be maintained for the benefit of the Owners of the Previously Issued Senior Lien Bonds. Money on deposit in the Previously Issued Senior Lien Bonds Reserve Fund shall be used to pay principal of, premium of, if any, and interest on Previously Issued Senior Lien Bonds becoming due and payable when there is not sufficient money available in the Previously Issued Senior Lien Bonds Debt Service Fund for such purpose. Money on deposit in the Previously Issued Senior Lien Bonds Reserve Fund may be applied to the acquisition of a Surety Bond as authorized pursuant to the Previously Issued Senior Lien Bond Resolution.

(d) Moneys on deposit in the Previously Issued Senior Lien Bonds Project Development Fund shall be used for paying costs of Corporation Projects for which Previously Issued Senior Lien Bonds were issued.

(e) Moneys on deposit in the New Series Bonds Project Development Fund shall be used for paying costs of Corporation Projects for which Parity New Series Revenue Obligations from time to time are issued.

(f) The Gross Sales Tax Revenue Fund, which may also be designated as the "Mansfield Economic Development Corporation Fund," is hereby established as a special fund comprised of the Gross Sales Tax Revenues, together with all other revenues as from time to time may be determined for deposit therein by the Corporation, and shall be maintained at the Corporation's depository bank for the benefit of the Owners of the Previously Issued Senior Lien Bonds and the Parity New Series Revenue Obligations, subject to the further provisions of the New Series 2025 Resolutions.

(g) The New Series Debt Service Fund shall be maintained for the benefit of the Owners of the Parity New Series Revenue Obligations. Money deposited in the New Series Debt Service Fund shall be used to pay the principal of, premium, if any, and interest on the Parity New Series Revenue Obligations when and as the same shall become due and payable.

(h) The New Series 2025 Tax-Exempt Bonds Reserve Fund shall be maintained for the benefit of the Owners of the Series 2025 Tax-Exempt Bonds and not any other New Series Parity Revenue Obligations. Money deposited in the New Series 2025 Tax-Exempt Bonds Reserve Fund shall be used to pay principal of and/or interest on the Series 2025 Tax-Exempt Bonds becoming due and payable when there is not sufficient money available in the New Series Debt Service Fund for such purpose. Money on deposit in the New Series 2025 Tax-Exempt Bonds Reserve Fund may be applied to the acquisition of a New Series Reserve Fund Surety Bond.\

(i) The New Series 2025 Taxable Bonds Reserve Fund shall be maintained for the benefit of the Owners of the Series 2025 Taxable Bonds and not any other New Series Parity Revenue Obligations. Money deposited in the New Series 2025 Taxable Bonds Reserve Fund shall be used to pay principal of and/or interest on the Series 2025 Taxable Bonds becoming due and payable when there is not sufficient money available in the New Series Debt Service Fund for such purpose. Money on deposit in the New Series 2025 Taxable Bonds Reserve Fund may be applied to the acquisition of a New Series Reserve Fund Surety Bond.

(j) Money from time to time on deposit in the New Series Capital Improvement Fund shall be used for paying costs of authorized Projects the payment of which are not otherwise provided from the proceeds of New Series Parity Revenue Obligations, and for any other lawful purposes permitted under applicable law. The New Series Capital Improvement Fund at all times shall be free of any lien or pledge created by the New Series 2025 Resolutions and the resolution or resolutions authorizing the issuance Additional Parity New Series Revenue Obligations.

<u>Gross Sales Tax Revenue Fund</u>.

(a) All Pledged Revenues shall be deposited and transferred as received to the Gross Sales Tax Revenue Fund.

(b) Until such time as the Previously Issued Senior Lien Bonds are no longer outstanding, moneys deposited in the Gross Sales Tax Revenue Fund shall be pledged and appropriated to the following uses, in the order of priority shown:

(i) <u>First</u>, to the payment, without priority, of all amounts required to be deposited in the Previously Issued Senior Lien Bonds Debt Service Fund established by the Previously Issued Senior Lien Bonds Resolution established for the payment of Previously Issued Senior Lien Bonds;

(ii) <u>Second</u>, to the payment of all amounts required to be deposited in the Previously Issued Senior Lien Bonds Reserve Fund pursuant to the Previously Issued Senior Lien Bonds Resolution;

(iii) Third, to pay any amounts due to any bond insurer of Previously Issued Senior Lien Bonds not paid pursuant to subsections (i) or (ii) above;

(iv) Fourth, to pay any amounts due to any issuer of a Previously Issued Senior Lien Bond Reserve Fund Surety Bond not paid pursuant to subsections (ii) or (iii) above;

(v) Fifth, to any other fund or account required by any Previously Issued Senior Lien Bond Resolution authorizing Previously Issued Senior Lien Bonds, the amounts required to be deposited therein;

(vi) Sixth, to the payment, without priority, of all amounts required to be deposited in the New Series Debt Service Fund herein established for the payment of Parity New Series Revenue Obligations;

(vii) Seventh, on a pro rata basis, to each debt service reserve fund created by any resolution authorizing the issuance of Parity New Series Revenue Obligations, which contains less than the amount to be accumulated and/or maintained therein, as provided in such resolutions;

(viii) Eighth, to pay any amounts due to any bond insurer of Parity New Series Revenue Obligations not paid pursuant to subsections (vi) or (vii) above;

(ix) Ninth, to pay any amounts due to any issuer of a New Series Reserve Fund Surety Bond not paid pursuant to subsections (vii) of (viii) above;

(x) Tenth, to any other fund or account required by any resolution authorizing Parity New Series Revenue Obligations, the amounts required to be deposited therein;

(xi) Eleventh, to any fund or account, or to any payee, required by any other resolution of the Board which authorizes the issuance of obligations or the creation of debt of the Corporation having a lien on the Pledged Revenues subordinate to the lien and pledge created herein with respect to the Parity New Series Revenue Obligations; and

(xii) Twelfth, to the New Series Capital Improvement Fund, for any lawful purpose.

(c) At such time as there are no Previously Issued Senior Lien Bonds outstanding, moneys deposited in the Gross Sales Tax Revenue Fund shall be pledged and appropriated to the following uses, in the order of priority shown:

(i) First, to the payment, without priority, of all amounts required to be deposited in the New Series Debt Service Fund herein established for the payment of Parity New Series Revenue Obligations;

(ii) Second, on a pro rata basis, to each debt service reserve fund created by any resolution authorizing the issuance of Parity New Series Revenue Obligations, which contains less than the amount to be accumulated and/or maintained therein, as provided in such resolutions;

(iii) Third, to pay any amounts due to any bond insurer of Parity New Series Revenue Obligations not paid pursuant to subsections (i) or (ii) above;

(iv) Fourth, to pay any amounts due to any issuer of a New Series Reserve Fund Surety Bond not paid pursuant to subsections (ii) or (iii) above;

(v) Fifth, to any other fund or account required by any resolution authorizing Parity New Series Revenue Obligations, the amounts required to be deposited therein;

(vi) Sixth, to any fund or account, or to any payee, required by any other resolution of the Board which authorizes the issuance of obligations or the creation of debt of the Corporation having a lien on the Pledged Revenues subordinate to the lien and pledge created herein with respect to the Parity New Series Revenue Obligations; and

(vii) Seventh, to the New Series Capital Improvement Fund, for any lawful purpose.

New Series 2025 Taxable Bonds Reserve Fund.

(a) There is hereby created in the New Series Taxable 2025 Resolution and ordered held at a depository bank of the Corporation, for the benefit of the Series 2025 Taxable Bonds, the New Series 2025 Taxable Bonds Reserve Fund. As provided in the New Series Taxable 2025 Resolution, the Corporation shall deposit and credit to the New Series 2025 Taxable Bonds Reserve Fund amounts required to maintain the balance in the New Series 2025 Taxable Bonds Reserve Fund in an amount equal to the maximum annual debt service requirements of the Series 2025 Taxable Bonds (the "Required Reserve"). The maximum annual debt service requirements of the Series 2025 Taxable Bonds shall be calculated by the Corporation on the date of issuance of the Series 2025 Taxable Bonds and on each October 1 thereafter, and the Required Reserve to be maintained in the New Series 2025 Taxable Bonds Reserve Fund after each such calculation shall be the amount determined by such calculation.

(b) All funds, investments and New Series Reserve Fund Surety Bonds on deposit and credited to the New Series 2025 Taxable Bonds Reserve Fund shall be used solely for (i) the payment of the principal of and interest on the Series 2025 Taxable Bonds, when and to the extent other funds available for such purposes are insufficient, (ii) to make payments due under a New Series Reserve Fund Surety Bond and (iii) with respect to funds and investments on deposit and credited to the New Series 2025 Taxable Bonds Reserve Fund other than New Series Reserve Fund Surety Bonds, to retire the last maturity of or interest on the Series 2025 Taxable Bonds.

(c) When and for so long as the cash, investments and New Series Reserve Fund Surety Bonds in the New Series 2025 Taxable Bonds Reserve Fund equal the Required Reserve, no deposits need be made to the credit of the New Series 2025 Taxable Bonds Reserve Fund. If the New Series 2025 Bonds Taxable Reserve Fund at any time contains less than the Required Reserve, the Corporation covenants and agrees that the Corporation shall cure the deficiency in the New

Series 2025 Taxable Bonds Reserve Fund by making deposits to such Fund from the Pledged Revenues in accordance with the New Series Taxable 2025 Resolution by monthly deposits and credits in amounts equal to not less than 1/60th of the Required Reserve with any such deficiency payments being made on or before the last day of each month until the Required Reserve has been fully restored; provided, however, that no such deposits shall be made into the New Series 2025 Taxable Bonds Reserve Fund during any six-month period beginning on February 1 and August 1 until there has been deposited into the New Series Debt Service Fund the full amount required to be deposited therein by the next following February 1 and August 1, as the case may be. In addition, in the event that a portion of the Required Reserve is represented by a New Series Reserve Fund Surety Bond, the Required Reserve and deposits to the New Series 2025 Taxable Bonds Reserve Fund shall take into account such value of the New Series Reserve Fund Surety Bond. The Corporation further covenants and agrees that, subject only to the prior deposits and credits for the Previously Issued Senior Lien Bonds and to be made to the New Series Debt Service Fund, the Pledged Revenues shall be applied, appropriated and used to establish and maintain the Required Reserve, including by paying payments under a New Series Reserve Fund Surety Bond when due, and any reserve established for the benefit of any issue or series of Additional Parity New Series Revenue Obligations and to cure any deficiency in such amounts as required by the terms of the New Series Taxable 2025 Resolution and any other Resolution pertaining to the issuance of Additional Parity New Series Revenue Obligations. Reimbursements to any provider of a New Series Reserve Fund Surety Bond shall constitute the curing of a deficiency in the New Series 2025 Taxable Bonds Reserve Fund to the extent that such reimbursements result in the reinstatement, in whole or in part, as the case may be, of the amount of the New Series Reserve Fund Surety Bond to the Required Reserve.

(d) Earnings and income derived from the investment of amounts held for the credit of the New Series 2025 Taxable Bonds Reserve Fund shall be retained in the New Series 2025 Taxable Bonds Reserve Fund until the New Series 2025 Taxable Bonds Reserve Fund contains the Required Reserve. During such time as the New Series 2025 Taxable Bonds Reserve Fund contains the Required Reserve or any cash or investment is replaced with a New Series Reserve Fund Surety Bond pursuant to subsection (e) below, the Corporation may, at its option, withdraw funds that are in excess of the Required Reserve and deposit such surplus in the Gross Sales Tax Revenue Fund; provided that the face amount of any New Series Reserve Fund Surety Bond may be reduced at the option of the Corporation in lieu of such withdrawal of excess funds. Notwithstanding the foregoing, any surplus funds in excess of the Required Reserve that consist of gross proceeds of the Series 2025 Taxable Bonds or interest thereon shall be used for purposes for which the Series 2025 Taxable Bonds were issued or deposited to the New Series Debt Service Fund.

(e) The Corporation may, at any time, deposit, supplement, replace or substitute a New Series Reserve Fund Surety Bond for cash or investments on deposit in the New Series 2025 Taxable Bonds Reserve Fund or in substitution for or replacement of any existing New Series Reserve Fund Surety Bond.

(f) If the Corporation is required to make a withdrawal from the New Series 2018 Taxable Bonds Reserve Fund for any of the purposes described in this Section, the Corporation shall promptly notify the issuer of such New Series Reserve Fund Surety Bond of the necessity for a withdrawal from the New Series 2025 Taxable Bonds Reserve Fund for any such purposes, and shall make such withdrawal first from available moneys or permitted investments then on deposit in the New Series 2025 Taxable Bonds Reserve Fund, and next from a drawing under any New Series Reserve Fund Surety Bond to the extent of any deficiency.

(g) In the event there is a draw upon the New Series Reserve Fund Surety Bond, the Corporation shall reimburse the provider of such New Series Reserve Fund Surety Bond for such draw, in accordance with the terms of any agreement pursuant to which the New Series Reserve Fund Surety Bond is used, from Pledged Revenues; however, such reimbursement from Pledged Revenues shall be in accordance with the provisions of New Series Taxable 2025 Resolution hereof and shall be subordinate and junior in right of payment to the payment of principal of and premium, if any, and interest on the then Outstanding New Series Parity Revenue Obligations.

(h) The Corporation may create and establish a debt service reserve fund pursuant to any resolution or resolutions authorizing the issuance of New Series Parity Revenue Obligations for the purpose of security that series of New Series Parity Revenue Obligations or any specific series of New Series Parity Revenue Obligations; the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the series of New Series Parity Revenue Obligations for which such debt service reserve fund was established. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the New Series Parity Revenue Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other New Series Parity Revenue Obligations.

(i) In connection with the issuance of the Series 2025 Taxable Bonds, the New Series 2025 Taxable Bonds Reserve Fund shall be funded with a New Series Reserve Fund Surety Bond.

<u>New Series 2025 Tax-Exempt Bonds Reserve Fund.</u>

(a) There is hereby created in the New Series Tax-Exempt 2025 Resolution and ordered held at a depository bank of the Corporation, for the benefit of the Series 2025 Tax-Exempt Bonds, the New Series 2025 Tax-Exempt Bonds Reserve

Fund. As provided in the New Series Tax-Exempt 2025 Resolution, the Corporation shall deposit and credit to the New Series 2025 Tax-Exempt Bonds Reserve Fund amounts required to maintain the balance in the New Series 2025 Tax-Exempt Bonds Reserve Fund in an amount equal to the maximum annual debt service requirements of the Series 2025 Tax-Exempt Bonds (the "Required Reserve"). The maximum annual debt service requirements of the Series 2025 Tax-Exempt Bonds shall be calculated by the Corporation on the date of issuance of the Series 2025 Tax-Exempt Bonds and on each October 1 thereafter, and the Required Reserve to be maintained in the New Series 2025 Tax-Exempt Bonds Reserve Fund after each such calculation shall be the amount determined by such calculation.

(b) All funds, investments and New Series Reserve Fund Surety Bonds on deposit and credited to the New Series 2025 Tax-Exempt Bonds Reserve Fund shall be used solely for (i) the payment of the principal of and interest on the Series 2025 Tax-Exempt Bonds, when and to the extent other funds available for such purposes are insufficient, (ii) to make payments due under a New Series Reserve Fund Surety Bond and (iii) with respect to funds and investments on deposit and credited to the New Series 2025 Tax-Exempt Bonds Reserve Fund other than New Series Reserve Fund Surety Bonds, to retire the last maturity of or interest on the Series 2025 Tax-Exempt Bonds.

(c) When and for so long as the cash, investments and New Series Reserve Fund Surety Bonds in the New Series 2025 Tax-Exempt Bonds Reserve Fund equal the Required Reserve, no deposits need be made to the credit of the New Series 2025 Tax-Exempt Bonds Reserve Fund. If the New Series 2025 Bonds Tax-Exempt Reserve Fund at any time contains less than the Required Reserve, the Corporation covenants and agrees that the Corporation shall cure the deficiency in the New Series 2025 Tax-Exempt Bonds Reserve Fund by making deposits to such Fund from the Pledged Revenues in accordance with the New Series Tax-Exempt 2025 Resolution by monthly deposits and credits in amounts equal to not less than 1/60th of the Required Reserve with any such deficiency payments being made on or before the last day of each month until the Required Reserve has been fully restored; provided, however, that no such deposits shall be made into the New Series 2025 Tax-Exempt Bonds Reserve Fund during any six-month period beginning on February 1 and August 1 until there has been deposited into the New Series Debt Service Fund the full amount required to be deposited therein by the next following February 1 and August 1, as the case may be. In addition, in the event that a portion of the Required Reserve is represented by a New Series Reserve Fund Surety Bond, the Required Reserve and deposits to the New Series 2025 Tax-Exempt Bonds Reserve Fund shall take into account such value of the New Series Reserve Fund Surety Bond. The Corporation further covenants and agrees that, subject only to the prior deposits and credits for the Previously Issued Senior Lien Bonds and to be made to the New Series Debt Service Fund, the Pledged Revenues shall be applied, appropriated and used to establish and maintain the Required Reserve, including by paying payments under a New Series Reserve Fund Surety Bond when due, and any reserve established for the benefit of any issue or series of Additional Parity New Series Revenue Obligations and to cure any deficiency in such amounts as required by the terms of the New Series Tax-Exempt 2025 Resolution and any other Resolution pertaining to the issuance of Additional Parity New Series Revenue Obligations. Reimbursements to any provider of a New Series Reserve Fund Surety Bond shall constitute the curing of a deficiency in the New Series 2025 Tax-Exempt Bonds Reserve Fund to the extent that such reimbursements result in the reinstatement, in whole or in part, as the case may be, of the amount of the New Series Reserve Fund Surety Bond to the Required Reserve.

(d) Earnings and income derived from the investment of amounts held for the credit of the New Series 2025 Tax-Exempt Bonds Reserve Fund shall be retained in the New Series 2025 Tax-Exempt Bonds Reserve Fund until the New Series 2025 Tax-Exempt Bonds Reserve Fund contains the Required Reserve. During such time as the New Series 2025 Tax-Exempt Bonds Reserve Fund contains the Required Reserve or any cash or investment is replaced with a New Series Reserve Fund Surety Bond pursuant to subsection (e) below, the Corporation may, at its option, withdraw funds that are in excess of the Required Reserve and deposit such surplus in the Gross Sales Tax Revenue Fund; provided that the face amount of any New Series Reserve Fund Surety Bond may be reduced at the option of the Corporation in lieu of such withdrawal of excess funds. Notwithstanding the foregoing, any surplus funds in excess of the Required Reserve that consist of gross proceeds of the Series 2025 Tax-Exempt Bonds or interest thereon shall be used for purposes for which the Series 2025 Tax-Exempt Bonds were issued or deposited to the New Series Debt Service Fund.

(e) The Corporation may, at any time, deposit, supplement, replace or substitute a New Series Reserve Fund Surety Bond for cash or investments on deposit in the New Series 2025 Tax-Exempt Bonds Reserve Fund or in substitution for or replacement of any existing New Series Reserve Fund Surety Bond.

(f) If the Corporation is required to make a withdrawal from the New Series 2018 Tax-Exempt Bonds Reserve Fund for any of the purposes described in this Section, the Corporation shall promptly notify the issuer of such New Series Reserve Fund Surety Bond of the necessity for a withdrawal from the New Series 2025 Tax-Exempt Bonds Reserve Fund for any such purposes, and shall make such withdrawal first from available moneys or permitted investments then on deposit in the New Series 2025 Tax-Exempt Bonds Reserve Fund, and next from a drawing under any New Series Reserve Fund Surety Bond to the extent of any deficiency.

(g) In the event there is a draw upon the New Series Reserve Fund Surety Bond, the Corporation shall reimburse the provider of such New Series Reserve Fund Surety Bond for such draw, in accordance with the terms of any agreement pursuant to which the New Series Reserve Fund Surety Bond is used, from Pledged Revenues; however, such reimbursement from Pledged Revenues shall be in accordance with the provisions of New Series Tax-Exempt 2025 Resolution hereof and shall be subordinate and junior in right of payment to the payment of principal of and premium, if any, and interest on the then Outstanding New Series Parity Revenue Obligations.

(h) The Corporation may create and establish a debt service reserve fund pursuant to any resolution or resolutions authorizing the issuance of New Series Parity Revenue Obligations for the purpose of security that series of New Series Parity Revenue Obligations or any specific series of New Series Parity Revenue Obligations; the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the series of New Series Parity Revenue Obligations for which such debt service reserve fund was established. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the New Series Parity Revenue Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other New Series Parity Revenue Obligations.

(i) In connection with the issuance of the Series 2025 Tax-Exempt Bonds, the New Series 2025 Tax-Exempt Bonds Reserve Fund shall be funded with a New Series Reserve Fund Surety Bond.

Deficiencies in Funds.

If the Corporation shall, for any reason, fail to pay into the New Series Debt Service Fund or New Series Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said funds from the first available revenues of the Corporation and such payments shall be in addition to the amounts hereinabove provided to be otherwise paid into said funds.

Security of Funds.

All moneys on deposit in the funds referred to in the New Series 2025 Resolutions shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of funds of the City, and moneys on deposit in such funds shall be used only for the purposes permitted by the New Series 2025 Resolutions.

Investments.

(a) Money in the funds established by the New Series 2025 Resolutions, the resolutions authorizing the Previously Issued Senior Lien Bonds or any resolution authorizing Parity New Series Revenue Obligations, at the option of the Corporation, may be invested in such securities or obligations as permitted under the laws of the State of Texas applicable to the City.

(b) Any securities or obligations in which money is so invested shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Investment Income.

Interest and income derived from investment of any fund created by the New Series 2025 Resolutions shall be credited to such fund.

Issuance of Superior Lien Obligations Prohibited.

The Corporation hereby covenants that so long as any principal or interest pertaining to any Parity New Series Revenue Obligations remain outstanding and unpaid, it will not authorize or issue obligations secured by a lien on or pledge of the Pledged Revenues superior to the lien ascribed to the Parity New Series Revenue Obligations.

Issuance of Additional Parity New Series Revenue Obligations Authorized.

In addition to the right to issue obligations of inferior lien, the Corporation reserves the right to issue Additional Parity New Series Revenue Obligations which, when duly authorized and issued in compliance with law and the terms and conditions hereinafter appearing, shall be on a parity with the Bonds herein authorized and the Parity New Series Revenue Obligations, payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues and Pledged Funds; and the Parity New Series Revenue Obligations and Additional Parity New Series Revenue Obligations shall in all respects be of equal dignity. The Additional Parity New Series Revenue Obligations may be issued in one or more installments, provided, however, that none shall be issued unless and until the following conditions have been met:

(a) The Corporation is not then in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the outstanding Previously Issued Senior Lien Bonds or the Parity New Series Revenue Obligations.

(b) Each of the funds created for the payment, security and benefit of the Previously Issued Senior Lien Bonds and the Parity New Series Revenue Obligations contains the amount of money then required to be on deposit therein.

(c) The Corporation has secured from a Certified Public Accountant a certificate or report reflecting that for the Fiscal Year next preceding the date of the proposed Additional Parity New Series Revenue Obligations, or a consecutive twelve (12) month period out of the fifteen (15) month period next preceding the month in which the resolution authorizing the proposed Additional Parity New Series Revenue Obligations is adopted, the Gross Sales Tax Revenues were equal to at least: (i) 1.35 times the combined maximum annual principal and interest requirements on all Previously Issued Senior Lien Bonds and Parity New Series Revenue Obligations to be outstanding after the issuance of the proposed Additional Parity New Series Revenue Obligations; and (ii) 1.50 times the combined average annual principal and interest requirements on all Previously Issued Senior Lien Bonds and Parity New Series Revenue Obligations to be outstanding after the issuance of the proposed Additional Parity New Series Revenue Obligations; provided, that, in the event of an increase in the rate of the Sales Tax that becomes effective prior to the date of the resolution authorizing the issuance of the Additional Parity New Series Revenue Obligations, such certificate or report shall calculate the Gross Sales Tax Revenues for the calculation period as if such increased rate were in effect during such period.

(d) The Additional Parity New Series Revenue Obligations are made to mature on February 1 or August 1, either or both, of each year in which they are scheduled to mature.

(e) The resolution authorizing the Additional Parity New Series Revenue Obligations provides that: (i) the New Series Debt Service Fund be augmented by amounts adequate to accumulate the sum required to pay the principal and interest on such obligations as the same shall become due; and (ii) the amount to be maintained in the New Series Reserve Fund shall be increased to an amount not less than the New Series Reserve Fund Requirement calculated to include the debt service of the proposed additional obligations; and (iii) any additional amount required to be maintained in the New Series Reserve Fund shall be deposited therein upon delivery of such Additional Parity New Series Revenue Obligations or in not more than 60 months from such date.

(f) Parity New Series Revenue Obligations may be refunded upon such terms and conditions as the Board may deem to be in the best interest of the Corporation; and if less than all such outstanding Parity New Series Revenue Obligations are refunded, the proposed refunding obligations shall be considered as "Additional Parity New Series Revenue Obligations" under the provisions of this Section, and the report or certificate required by paragraph (c) shall give effect to the issuance of the proposed refunding obligations and shall not give effect to the obligations being refunded.

No Further Issuance of Previously Issued Senior Lien Bonds.

The Corporation covenants not to issue any bonds superior in lien and pledge to the Parity New Series Obligation, including specifically additional bonds or obligations authorized under the Previously Issued Senior Lien Bond Resolution.

Pledged Funds and Pledged Revenues.

(a) The Corporation represents and warrants that it is and will be authorized by applicable law and by its articles of incorporation and bylaws to authorize and issue the Bonds, to adopt the New Series 2025 Resolutions and to pledge the Pledged Funds and Pledged Revenues in the manner and to the extent provided in the New Series 2025 Resolutions and that the Pledged Funds and Pledged Revenues so pledged are and will be and remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by the New Series 2025 Resolutions except as expressly provided herein for Parity New Series Revenue Obligations.

(b) The Bonds and the provisions of the New Series 2025 Resolutions are and will be the valid and legally enforceable obligations of the Corporation in accordance with the terms of the New Series 2025 Resolutions, subject only to any applicable bankruptcy or insolvency laws or to any applicable law affecting creditors' rights generally.

(c) The Corporation shall at all times, to the extent permitted by applicable law, defend, preserve and protect the pledge of the Pledged Funds and Pledged Revenues and all the rights of the Owners under the New Series 2025 Resolutions and the resolutions authorizing the issuance of the Bonds and any Parity New Series Revenue Obligations, against all claims and demands of all persons whomsoever.

(d) The Corporation will take, and use its best efforts to cause the City to take, all steps reasonably necessary and appropriate to collect all delinquencies in the collection of the Sales Tax to the fullest extent permitted by the Act and other applicable law.

Accounts, Periodical Reports and Certificates.

(a) The Corporation shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the funds and accounts established by this Resolution and which, together with all other books and papers of the Corporation, shall at all times be subject to the inspection of, the Owner or Owners of not less than 5% in principal amount of the Parity New Series Revenue Obligations then outstanding or their representatives duly authorized in writing.

General.

The Directors and Officers of the Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of the New Series 2025 Resolutions.

Repeal of Power to Collect Sales Tax.

Any repeal or amendment of the right and power to levy, collect and apply the Sales Tax pursuant to the Act shall never be effective until all of the principal of and the interest on the Parity New Series Revenue Obligations have been paid in full or they have been lawfully defeased.

Payment of the Bonds.

While any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the New Series Debt Service Fund, money sufficient to pay the interest on and the principal of the Bonds, as applicable, as will accrue or mature on each applicable Interest Payment Date.

Events of Default.

Each of the following occurrences or events for the purpose of the New Series 2025 Resolutions is hereby declared to be an "Event of Default," to-wit:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Corporation, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with the New Series 2018 Resolution, and the continuation thereof for a period of 30 days after notice of such default is given by any Owner to the Corporation; or

(iii) An order of relief shall be issued by the Bankruptcy Court of the United States District Court having jurisdiction, granting the Corporation any relief under any Applicable Law, or any other court having valid jurisdiction shall issue an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, sequestrator, or other similar official for the Corporation as applicable, of any substantial part of its property, affairs or assets, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days.

Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the Corporation for the purpose of protecting and enforcing the rights of the Owners under the New Series 2018 Resolution, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of the New Series 2025 Resolutions, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under the New Series 2025 Resolutions.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

Discharge.

The Corporation reserves the right to defease, discharge or refund the Bonds in any manner permitted by applicable law.

Amendments.

The New Series 2025 Resolutions shall each constitute a contract with the Owners, be binding on the Corporation, and shall not be amended or repealed by the Corporation so long as any Series 2025 Taxable Bond or Series 2025 Tax-Exempt Bond, as applicable, remains outstanding except as permitted in this Section. The Corporation may, without consent of or notice to any Owners, from time to time and at any time, amend the New Series 2025 Resolutions in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Corporation may, with the written consent of the Owners of the Series 2025 Taxable Bonds and/or the Series 2025 Tax-Exempt Bonds, as applicable, holding a majority in aggregate principal amount of the Series 2025 Taxable Bonds and/or the Series 2025 Tax-Exempt Bonds, as applicable, then outstanding, amend, add to, or rescind any of the provisions of the applicable New Series 2018 Resolutions; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds, 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 or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

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INVESTMENTS

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

LEGAL INVESTMENTS . . . . Available Corporation funds are invested as authorized by Texas law and in accordance with investment policies approved by the Board of Directors. Both State law and the Corporation's investment policies are subject to change. Under State law, the Corporation 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; 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 and operating under Securities and Exchange Commission 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 Corporation deposits, or (ii) where (a) the funds are invested by the Corporation 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 Corporation 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 Corporation; (b) the broker or the depository institution selected by the Corporation 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 Corporation; (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 Corporation 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 Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the Corporation 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 Corporation, held in the Corporation's name, and deposited at the time the investment is made with the Corporation or with a third party selected and approved by the Corporation 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 securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (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 Corporation, held in the Corporation's name and deposited at the time the investment is made with the Corporation or a third party designated by the Corporation; (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 270 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 Securities and Exchange Commission that provides the Corporation with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Public Funds Investment Act. All Corporation funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' 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, Corporation 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 Corporation shall submit an investment report detailing: (1) the investment position of the Corporation, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest Corporation funds without express written authority from the Board of Directors.

ADDITIONAL PROVISIONS . . . Under State law, the Corporation is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Corporation's Board of Directors; (4) require the qualified representative of firms offering to engage in an investment transaction with the Corporation to: (a) receive and review the Corporation's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the Corporation and the business organization that are not authorized by the Corporation's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the Corporation's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the Corporation and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the Corporation's investment policy; (6) provide specific investment training for the Corporation's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the Corporation'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 Corporation.

TABLE 5- CURRENT INVESTMENTS

As of September 30, 2024, the Corporation's investable funds were invested in the following categories:

Description of Investment	Total Investment	Percent of Portfolio
TexSTAR	$ 1,193,084	9.70%
Texas CLASS	6,476,428	52.63%
LOGIC	4,466,920	36.30%
Nations Money Market Fund	168,085	1.37%
	$ 12,304,517	100.00%

TAX MATTERS

The Taxable Bonds

The following discussion is a summary of the material U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Taxable Bonds offered in this offering. This summary is based upon current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed Treasury Regulations promulgated thereunder, Internal Revenue Service ("IRS") rulings and pronouncements, and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly on a retroactive basis, at any time by legislative, judicial or administrative action. The City cannot assure you that the IRS will not challenge the conclusions stated below, and no ruling from the IRS or opinion of counsel has been or will be sought on any of the matters discussed below.

This discussion is limited to holders who are the initial purchasers of the Taxable Bonds for cash at their original purchase price, which will equal the first price to the public (not including bondhouses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Taxable Bonds is sold for cash (the "Issue Price") and who hold the Taxable Bonds as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not address all U.S. federal income tax consequences relative to a holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to holders subject to special rules, including, without limitation: U.S. expatriates and former citizens or long-term residents of the United States; persons subject to the alternative minimum tax; U.S. Holders (as defined below) whose functional currency is not the U.S. dollar; persons holding the Taxable Bonds as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction, or other integrated investment; banks, insurance companies or other financial institutions; real estate investment trusts or regulated investment companies; brokers, dealers or traders in securities or currencies; "controlled foreign corporations", "passive foreign investment companies" and corporations that accumulate earnings to avoid U.S. federal income tax; S corporations, partnerships and other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein); persons subject to special accounting rules as a result of any items of gross income with respect to the Taxable Bonds being taken into account in an applicable financial statement; tax-exempt organizations or governmental organizations; persons who elect to use a mark-to-market method of accounting for security holdings; and individual retirement accounts or qualified pension plans. This summary does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances and does not discuss the effect of any U.S. state, local income or other tax laws, any U.S. federal estate and gift tax laws, or any non-U.S. tax laws.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Taxable Bonds, the tax treatment of such partnership or a partner of such partnership generally will depend upon the tax status of the partner and the tax treatment of the partnership. **Partnerships acquiring Taxable Bonds and partners of partnerships acquiring the Taxable Bonds should consult their own tax advisors about the U.S. federal income tax consequences to them of the purchase, ownership and disposing of the Taxable Bonds.**

This discussion of material U.S. federal income tax considerations is provided for general information only and is not intended as tax advice to any particular investor. Persons considering the purchase of Taxable Bonds are urged to consult their tax advisors with regard to the application of U.S. federal income or other tax laws (including estate and gift tax laws) to their particular situations as well as any tax consequences arising under the laws of any state, local, or foreign taxing jurisdiction or under any applicable tax treaty.

Consequences to U.S. Holders

The following discussion summarizes certain material U.S. federal income tax consequences to U.S. holders of the purchase, ownership, and disposition of the Taxable Bonds. As used herein "U.S. holder" means a beneficial owner of a Taxable Bond who or that is for U.S. federal income tax purposes: (i) an individual who is a citizen of the United States or resident alien of the United States; (ii) a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof including the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust, or if a valid election is in effect under U.S. Treasury Regulations to be treated as a United States person.

Interest on the Taxable Bonds -- A U.S. Holder will be required to recognize as ordinary income all interest paid or accrued on the Taxable Bonds in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes.

Original Issue Discount -- If the Issue Price of the Taxable Bonds of any stated maturity is less than their face amount by more than one quarter of one percent times the number of complete years to maturity, the Taxable Bonds of such maturity will be treated as being issued with "original issue discount." The amount of the original issue discount will equal the excess of the principal amount payable on such Taxable Bonds at maturity over the Issue Price, and such amount will be amortized over the life of the Taxable Bonds using the "constant yield method" provided in the U.S. Treasury Regulations. The original issue discount accrues under the constant yield method and the beneficial owners of the Taxable Bonds, regardless of their regular method of accounting, must include such accrued amount in their gross income as interest. This can result in taxable income to the beneficial owners of such Taxable Bonds that exceeds actual cash interest payments to the beneficial owners in a taxable year.

The amount of the original issue discount that accrues on such Taxable Bonds each taxable year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner's gross income while the beneficial owner holds such Taxable Bonds will increase such beneficial owner's adjusted tax basis of such Taxable Bonds.

Premium -- If the Issue Price of the Taxable Bonds of any stated maturity is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased such Taxable Bond with "amortizable bond premium" equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of such Taxable Bond and may offset interest otherwise required to be included in respect of such Taxable Bond during any taxable year by the amortized amount of such excess for the taxable year. Taxable Bond premium on such Taxable Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of such Taxable Bond. However, if such Taxable Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the U.S. Treasury Regulations which could result in a deferral of the amortization of some Taxable Bond premium until later in the term of such Taxable Bond. Any election to amortize Taxable Bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of a Taxable Bond -- A U.S. Holder generally will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a Taxable Bond measured by the difference, if any, between (i) the amount of cash and the fair market value of any property received (except to the extent that the cash or other property received in respect of a Taxable Bond is attributable to accrued and unpaid interest on the Taxable Bond, which amount will be taxable as ordinary interest income to the extent not previously included in gross income) and (ii) the U.S. Holder's adjusted tax basis in the Taxable Bond.

A U.S. Holder's adjusted tax basis in the Taxable Bonds generally will equal the amount the U.S. Holder paid for the Taxable Bonds, increased by any original issue discount previously included in the holder's income and decreased by the amount of the Taxable Bond premium that has been previously amortized. Any gain or loss will be capital gain or loss and will be treated as long-term capital gain or loss if, at the time of the sale, exchange, redemption, retirement or other taxable disposition, the Taxable Bonds have been held by the U.S. Holder for more than one year. Long-term capital gains recognized by non-corporate U.S. Holders, including individuals, generally will be subject to a reduced rate of tax. The deductibility of capital losses is subject to certain limitations. U.S. Holders of the Taxable Bonds should consult their tax advisors regarding the treatment of capital gains and losses.

Information Reporting and Backup Withholding -- Information reporting generally will apply to payments of interest on, and the proceeds of the sale, exchange, redemption, retirement or other disposition of, the Taxable Bonds held by U.S. Holders, and backup withholding may apply unless the U.S. Holder provides the applicable withholding agent with a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establishes an exemption from backup withholding. Any amount withheld under the backup withholding rules is allowable as a credit against the U.S. Holder's U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed the U.S. Taxable Bondholder's actual U.S. federal income tax liability and the U.S. Holder timely provides the required information or appropriate claim to the IRS.

Tax Consequences to Non-U.S. Holders

The following discussion summarizes certain material U.S. federal income tax consequences to Non-U.S. Holders of the purchase, ownership and disposition of the Taxable Bonds. For purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of Taxable Bonds that is neither classified for U.S. federal income tax purposes as a partnership nor is a U.S. Holder (as defined above).

Interest on the Taxable Bonds -- Subject to the discussions below regarding backup withholding and FATCA withholding, payments of interest on a Taxable Bond to a Non-U.S. Holder that are not effectively connected with such Non-U.S. Holder's U.S. trade or business generally will not be subject to U.S. federal income tax and will be exempt from U.S. federal withholding tax under the portfolio interest exemption provided that:

- the Non-U.S. Holder is not an actual or constructive owner of 10% or more of the total combined voting power of all classes of the City's voting stock;

- the Non-U.S. Holder is not a controlled foreign corporation for U.S. federal income tax purposes that is related, directly or indirectly, to the City through stock ownership); and

- the Non-U.S. Holder is not a bank that acquired the Taxable Bonds in consideration for the extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business.

- (i) the Non-U.S. Holder provides its name and address and certifies, under penalties of perjury, that it is not a United States person as defined under the Code (which certification may be made on an IRS Form W-8BEN or W-8BEN-E (or other applicable form)); (ii) the non-U.S. Bondholder holds its Taxable Bonds through certain foreign intermediaries and it satisfies the certification requirements of applicable Treasury Regulations; or (iii) a securities clearing organization, bank, or other financial institution that holds customers' securities in the ordinary course of its trade or business holds the Taxable Bonds on behalf of the Non-U.S. Holder and such securities clearing organization, bank, or other financial institution satisfies the certification requirements of applicable Treasury Regulations.

If the payments of interest on a Taxable Bond are effectively connected with the conduct by a Non-U.S. Holder of a trade or business in the United States (and, in the event that an income tax treaty is applicable, if the payments of interest are attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder), such payments will not be subject to withholding of U.S. federal income tax so long as the Non-U.S. Holder provides the applicable withholding agent with a properly completed IRS Form W-8ECI (or other applicable form), signed under penalties of perjury. However, such payments will be subject to U.S. federal income tax on a net income basis at regular graduated income tax rates generally in the same manner as if it were a U.S. Holder (as defined above), subject to any modifications provided under an applicable income tax treaty. In addition, if the non-U.S. Holder is a foreign corporation for federal income tax purposes, such payments of interest may also be subject to a branch profits tax at the rate of 30% (or lower applicable treaty rate) of such holder's earnings and profits for the taxable year, subject to certain adjustments, including earnings and profits from an investment in the Taxable Bonds, that are effectively connected with its conduct of a trade or business in the United States.

A non-U.S. Holder that does not qualify for the exemption from U.S. federal withholding tax under the preceding paragraphs generally will be subject to U.S. federal withholding tax at the rate of 30% on payments of interest on the Taxable Bonds, unless such non-U.S. Holder provides the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable form) claiming exemption from or a reduction of withholding under the benefit of an applicable tax treaty. Income tax treaties may provide for a lower rate of withholding tax, exemption from or reduction of branch profits tax, or other rules different from those described above. Non-U.S. Bondholders should consult with their advisors regarding any applicable income tax treaties.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of a Taxable Bond -- Subject to the discussions below on backup withholding and FATCA withholding, any gain realized by a Non-U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of a Taxable Bond generally will not be subject to U.S. federal income tax or withholding tax, unless:

- Such gain is effectively connected with the conduct by such Non-U.S. Holder of a U.S. trade or business in the United States (and, in the event that an income tax treaty is applicable, such gain is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States),

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are satisfied.

If a Non-U.S. Holder is engaged in a trade or business in the United States and gain on a Taxable Bond is effectively connected with the conduct of such trade or business (and, if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by the Non-U.S. Holder within the United States), the Non-U.S. Holder will be subject to U.S. federal income tax at regular graduated income tax rates in the same manner as if it were a U.S. Holder, subject to any modification provided under an applicable income tax treaty. If the Non-U.S. Holder is a foreign corporation for U.S. federal income tax purposes, such gain may also be subject to a branch profits tax at the rate of 30%, or lower applicable treaty rate, of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the United States.

If a Non-U.S. Holder is an individual who is present or deemed to be present in the United States for 183 days or more during the taxable year of the disposition of a Taxable Bond and certain other requirements are met, such Non-U.S. Holder generally will be subject to U.S. federal income tax at a flat rate of 30% (unless a lower applicable income tax treaty rate applies), on any such gain.

Information Reporting and Backup Withholding -- Payments to Non-U.S. Holders of interest on a Taxable Bond, and amounts withheld from such payments, if any, generally will be required to be reported to the IRS and to the Non-U.S. Holder. Copies of these information returns also may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or is established under the provisions of a specific treaty or agreement. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty. Backup withholding generally will not apply to payments of principal and interest on Taxable Bonds if the Non-U.S. Holder furnishes a certification as to its Non-U.S. status or the Non-U.S. Holder otherwise establishes an exemption, provided that the applicable withholding agent does not have actual knowledge or reason to know that the Non-U.S. Holder is a United States person.

Payment of the proceeds of a disposition of a Taxable Bond effected by the U.S. office of a United States or foreign broker will be subject to information reporting and backup withholding unless the Non-U.S. Holder properly certifies under penalties of perjury as to its foreign status and certain other conditions are met or the Non-U.S. Holder otherwise establishes an exemption. Information reporting requirements and backup withholding generally will not apply to any payment of the proceeds of the disposition of a Taxable Bond effected outside the United States by a foreign office of a broker. However, unless such a broker has documentary evidence in its records of the Non-U.S. Holder's foreign status and certain other conditions are met, or the Non-U.S. Holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the sale of a Taxable Bond effected outside the United States by such a broker if it has certain relationships with the United States.

U.S. backup withholding tax is not an additional tax. Any amount withheld under the backup withholding rules is allowable as a credit against the U.S. Holder's U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed the U.S. Bondholder's actual U.S. federal income tax liability and the U.S. Holder timely provides the required information or appropriate claim to the IRS.

FATCA Withholding

The Foreign Account Tax Compliance Act, or "FATCA," imposes a 30% withholding tax on certain types of payments made to foreign financial institutions, or "FFIs," and certain other non-U.S. entities, unless certain due diligence, reporting, withholding, and certification requirements are satisfied. As a general matter, FATCA imposes a 30% withholding tax on interest payments on a Taxable Bond, and (subject to the proposed United States Treasury regulations discussed below) payments of gross proceeds from the sale or other disposition of a Taxable Bond, that are made to an FFI or non-financial foreign entity unless (i) the foreign entity is an FFI that undertakes certain due diligence, reporting, withholding, and certification obligations, or in the case of an FFI that is a resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA, the entity complies with the diligence, reporting, and other requirements of such an agreement, (ii) the foreign entity is not an FFI and either certifies that it does not have any "substantial" U.S. owners or furnishes identifying information regarding each substantial U.S. owner, or (iii) the foreign entity qualifies for an exemption from these rules. In certain cases, a "substantial" U.S. owner can mean an owner of any interest in the foreign entity.

As noted above, withholding under FATCA can apply to payments of gross proceeds from the sale or other disposition of a Taxable Bond, in addition to interest payments. However, United States Treasury regulations have been proposed that would entirely eliminate FATCA withholding on payments of gross proceeds. Taxpayers generally may rely on these proposed United States Treasury regulations until the promulgation of final United States Treasury regulations.

Prospective investors are encouraged to consult with their tax advisors regarding the possible implications of FATCA on their investment in the Taxable Bonds.

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The Tax-Exempt Bonds

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Tax-Exempt Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Tax-Exempt Bonds.

TAX EXEMPTION

In the opinion of Bracewell LLP, Bond Counsel, under existing law, interest on the Tax-Exempt Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Tax-Exempt Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The City has covenanted in the Tax-Exempt New Series 2025 Resolution that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Tax-Exempt New Series 2025 Resolution pertaining to those sections of the Code that affect the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the City and other parties involved with the issuance of the Tax-Exempt Bonds with respect to matters solely within the knowledge of the City and such parties, which Bond Counsel has not independently verified. If the City fails to comply with the covenants in the Tax-Exempt New Series 2025 Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Tax-Exempt Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Tax-Exempt Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Tax-Exempt Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Tax-Exempt Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer, and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Tax-Exempt Bonds could adversely affect the value and liquidity of the Bonds, regardless of the ultimate outcome of the audit.

ADDITONAL FEDERAL INCOME TAX CONSIDERATIONS

Collateral Tax Consequences

Prospective purchasers of the Tax-Exempt Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Tax-Exempt Bonds.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Tax-Exempt Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Tax-Exempt Bonds could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Tax-Exempt Bonds.

Prospective purchasers of the Tax-Exempt Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Tax-Exempt Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium

If the issue price of a maturity of the Tax-Exempt Bonds exceeds the stated redemption price payable at maturity of such Tax-Exempt Bonds, such Tax-Exempt Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount

If the issue price of a maturity of the Tax-Exempt Bonds is less than the stated redemption price payable at maturity of such Tax-Exempt Bonds (the "OID Bonds"), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Tax-Exempt Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Tax-Exempt Bonds under the captions "TAX MATTERS – Tax Exemption" and "TAX MATTERS – Additional Federal Income Tax Considerations – Collateral Tax Consequences" and "—Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

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

The foregoing discussion assumes that (i) the Underwriter has purchased the Tax-Exempt Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the [inside] cover page of this Official Statement. Neither the City nor Bond Counsel has made any investigation or offers any comfort that the OID Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each OID Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Tax-Exempt Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such OID Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

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

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult with their own tax advisors with respect to any recently-enacted, proposed, pending or future legislation.

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CONTINUING DISCLOSURE OF INFORMATION

In the Resolutions, the Corporation has made the following undertakings for the benefit of the holders and beneficial owners of the Bonds. The Corporation is required to observe the undertakings while it remains obligated to advance funds to pay such Bonds. Under the undertakings the Corporation 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 ("MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

ANNUAL REPORTS . . . The Corporation will provide to the MSRB updated financial information and operating data annually. The information to be updated includes quantitative financial information and operating data with respect to the Corporation of the general type included in this Official Statement under the Tables numbered 1 through 5 and in Appendix B. The Corporation will update and provide this information in the numbered Tables within six months after the end of each fiscal year ending in or after 2024 and, if then available, audited financial statements of the City. If audited financial statements are not available when the information is provided, the Corporation will provide audited financial statements within 12 months of the end of such fiscal year, when and if they become available. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Corporation shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation. The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

The Corporation's current fiscal year end is September 30. Accordingly, updated unaudited information included in the above-referenced Tables must be provided by March 31 in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if audited financial statements are not yet available) must be provided by September 30 of each year, unless the Corporation changes its fiscal year. If the Corporation changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The Corporation shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Bonds: (1) Principal and interest payment delinquencies; (2) Non-payment related defaults, if material; (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (5) Substitution of credit or liquidity providers, or their failure to perform; (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) Defeasances; (10) Release, substitution, or sale of property securing repayment of the Bonds, if material; (11) Rating changes; (12) Bankruptcy, insolvency, receivership or similar event of the Corporation; (13) The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into 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; and (14) Appointment of a successor or additional Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material, (15) Incurrence of a Financial Obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation, any of which affect security holders, if material; and (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Corporation, any of which reflect financial difficulties. In addition, the Corporation will provide timely notice of any failure by the Corporation to provide annual financial information in accordance with its agreement described above under " - Annual Reports.".

AVAILABILITY OF INFORMATION . . . All information and documentation filings required to be made by the Corporation in accordance with its undertaking made for the Bonds will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided by the MSRB, without charge to the general public, at www.emma.msrb.org.

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

The Corporation 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 Corporation, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds 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 Bonds consent to the amendment or (b) any person unaffiliated with the Corporation (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Corporation 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 Bonds in the primary offering of the Bonds. If the Corporation 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 Corporation believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

OTHER INFORMATION

RATINGS

The Bonds and the presently outstanding Parity New Series Revenue Obligations of the Corporation are rated "Aa2" by Moody's, "__" by S&P and "AA+" by Fitch, without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflect only the respective views of such organizations and the Corporation makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either of such rating companies, if in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Bonds.

LITIGATION

It is the opinion of Corporation Staff and the City Attorney that there is no pending or to their knowledge, threatened litigation or other proceeding against the Corporation that would have a material adverse financial impact upon the Corporation or its operations.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

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 Bonds 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 Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "Other Information - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the Corporation has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL MATTERS

The Corporation will furnish to the Underwriters a complete transcript of proceedings had incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinions of the Attorney General of Texas approving the Initial Bond and to the effect that the Bonds are valid and legally binding special obligations of the Corporation, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel to like effect. Bond Counsel represents the Corporation's Financial Advisor and the Underwriters from time to time in matters unrelated to the issuance of the Bonds, but Bond Counsel has been engaged by and only represents the Corporation in connection with the issuance of the Bonds. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Bonds will also be furnished. 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 Bonds” (except the second paragraph under “Security and Source of Payment” and the subcaptions “Book-Entry-Only System,” “Bondholders’ Remedies” and “Use of Bond Proceeds”), “Selected Provisions of the Resolutions,” ”Tax Matters,” “Continuing Disclosure of Information” (except the subcaption “Compliance with Prior Undertakings”) and the subcaptions “Legal Investments and Eligibility to Secure Public Funds in Texas,” “Registration and Qualification of Bonds for Sale” and “Legal Matters” (except the last two sentences of the first paragraph) under the caption “Other Information” and in Appendix C, and such firm is of the opinion that the information relating to the Bonds and legal issues contained under such captions, subcaptions and Appendix C is a fair and accurate description of the laws and legal issues addressed therein, and, with respect to the Bonds, such information conforms to the Resolutions. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion may accompany the Bonds deposited with DTC or may be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by West & Associates, L.L.P., Dallas, Texas, Counsel to the Underwriters. The fees of Underwriter’s Counsel are contingent upon the delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL ADVISOR

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

The Financial Advisor to the Corporation 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 Corporation 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 underwriters of the Taxable Bonds (the "Underwriters of the Taxable Bonds") have agreed, subject to certain conditions, to purchase the Taxable Bonds from the City, at an underwriting discount of $______________. The Underwriters of the Taxable Bonds will be obligated to purchase all of the Taxable Bonds if any Taxable Bonds are purchased. The Taxable Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters of the Taxable Bonds and other dealers depositing Taxable Bonds into investment trusts) at prices lower than the public offering prices of such Taxable Bonds and such public offering prices may be changed, from time to time, by the Underwriters of the Taxable Bonds.

The underwriters of the Tax-Exempt Bonds (the "Underwriters of the Tax-Exempt Bonds" and together with the Underwriters of the Taxable Bonds, the "Underwriters") have agreed, subject to certain conditions, to purchase the Tax-Exempt Bonds from the City, at an underwriting discount of $______________. The Underwriters of the Tax-Exempt Bonds will be obligated to purchase all of the Tax-Exempt Bonds if any Tax-Exempt Bonds are purchased. The Tax-Exempt Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters of the Tax-Exempt Bonds and other dealers depositing Tax-Exempt Bonds into investment trusts) at prices lower than the public offering prices of such Tax-Exempt Bonds and such public offering prices may be changed, from time to time, by the Underwriters of the Tax-Exempt Bonds.

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

Truist Securities, Inc. has entered into an agreement (the "Distribution Agreement") with Truist Investment Services, Inc. ("TIS") for the retail distribution of certain municipal securities offerings, including the Bonds. Pursuant to the Distribution Agreement, Truist Securities, Inc. will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with TIS. Each of Truist Securities, Inc. and TIS is a subsidiary of Truist Financial Corporation.

Truist Securities is the trade name for the corporate and investment banking services of Truist Financial Corporation and its subsidiaries. Securities and strategic advisory services are provided by Truist Securities, Inc., member FINRA and SIPC. Lending, financial risk management, and treasury management and payment services are offered by Truist Bank. Deposit products are offered by Truist Bank, Member FDIC. In its normal course of business Truist Bank may currently, or in the future, provide credit, treasury management, or other commercial banking services to the Corporation.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the bank.

One of the Underwriters is BOK Financial Securities, Inc., which is not a bank, and the Bonds are not deposits of any bank and are not insured by the Federal Deposit Insurance Corporation.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the Corporation, that are not purely historical, are forward-looking statements, including statements regarding the Corporation'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 Corporation on the date hereof, and the Corporation assumes no obligation to update any such forward-looking statements. The Corporation'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 Corporation. 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 financial data and other information contained herein have been obtained from the Corporation's records, the City's 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 resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Resolutions authorizing the issuance of the Bonds also approved the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorized its further use in the reoffering of the Bonds by the Underwriters.

President
Mansfield Economic
Development Corporation

ATTEST:

Board Secretary
Mansfield Economic
Development Corporation

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY OF MANSFIELD, TEXAS

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THE CITY . . . The City of Mansfield, Texas (the "City") encompasses 36.69 square miles and is located in the southeastern portion of Tarrant County with small areas of the City extending into Johnson and Ellis Counties. The City is bounded by the cities of Arlington on the north, Grand Prairie on the east and Fort Worth on the west. Farm Road 157 is a direct route between the City and Arlington. U.S. Highway 287 passes directly through the City from east to west. Dallas is approximately 25 miles to the northeast via U.S. Highway 287 and U.S. Highway 67 or I-20. Downtown Fort Worth is approximately 20 miles to the northwest via U.S. Highway 287 and I-20. Highway 360 provides direct connection to the cities of Arlington and Grand Prairie and to the Dallas-Fort Worth International Airport.

POPULATION . . . The City's 2020 U.S. Census population was 72,602, increasing 159.01% since 2000. The City Planning Department estimates the 2025 population at 87,472 reflecting a 155.18% increase since 2010.

INDUSTRY . . . The City has five major industrial parks with over 150 businesses and a significant amount of developable land remaining. There are significant water and transportation resources available for future development.

In 1997, the voters passed a half cent sales tax for economic development and the Mansfield Economic Development Corporation ("MEDC") was formed to administer the City's economic development program.

Since 2020, the MEDC has assisted 20 companies with increasing their presence in Mansfield; 10 expansions, 10 new developments and 3 road projects. The new developments include Crystal Window and Door Systems, a door and window manufacturing company, with regional headquarters, who will invest over $135 million in building a manufacturing facility and corporate headquarters and will create over 650 jobs; Compressed Air Systems with over 90,000 square feet of new warehouse, manufacturing and corporate headquarters for a total new investment of over $13.6 million and 60 new employees; and Infinity Sound with a capital investment of $3.6 million, 35 jobs and their corporate headquarters. MEDC also assisted several company expansions, including Mouser Electronics who recently completed 400,000 square feet of warehouse space. BCB Transport completed construction of a new 200,000 square feet warehouse facility with a total investment of $17 million. MEDC also assisted with several retail and restaurant recruitments at the Shops at Broad and a 150,000 square foot H-E-B Grocery store and surrounding shopping center.

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PRINCIPAL EMPLOYERS

Company	Product Line	Number of Employees
Mansfield Independent School District	School	4,853
Mouser Electronics	Distribution of Electronic Parts	2,442
Methodist Mansfield Medical Center	Full Service Hospital	1,463
Klein Tools	Manufacturer of Hand Tool Products	738
City of Mansfield, Texas	Municipality	534
SJ Louis Construction	Utility Contractor	200
Conveyors, Inc.	Manufacturer Conveyor Equipment	170
Sellmark	Outdoor Products Manufacturer & Distributor	126
Mauser Packaging Solutions	Manufacturer of Packaging Solutions	104
Evans Composites	Repair and Overhaul of Aircraft	96

HISTORICAL EMPLOYMENT DATA (ANNUAL AVERAGE DATA) [(1)]

City of Mansfield	August 2024	2023	2022	2021	2020
Labor Force	43,043	41,871	40,766	39,107	38,333
Employed	41,307	40,325	39,337	37,259	35,906
Unemployed	1,736	1,546	1,429	1,848	2,427
% Unemployment	4.0%	3.7%	3.5%	4.7%	6.3%

Tarrant County	August 2024	2023	2022	2021	2020
Labor Force	1,204,531	1,170,758	1,140,773	1,099,856	1,082,822
Employed	1,154,736	1,127,271	1,099,642	1,041,556	1,003,269
Unemployed	49,795	43,487	41,131	58,300	79,553
% Unemployment	4.1%	3.7%	3.6%	5.3%	7.3%

(1) Source: Texas Employment Commission.

SERVICES . . . The City is served by hospitals within the City and the immediate area including Methodist Mansfield Medical Center, HCA Healthcare, Arlington Memorial Hospital, Huguley Hospital, Harris Hospital and John Peter Smith Hospital. Texas Health Resources has opened a new full service hospital.

The City addresses the needs of its citizens by offering many varied services to its residents. The police and fire departments employ 164 and 104 persons, respectively. Emergency ambulance service is also offered. Park and recreation facilities include 30 City parks consisting of 1,195 acres, 16 playgrounds, 30 athletic fields and over eleven miles of running trails. The City also has one public library with approximately 100,000 visitors per year.

Electric, gas, telephone and cable television services are provided by Texas Utilities, Atmos Energy, AT&T and Charter Communications, respectively.

Several banks serve the City: Frost Bank, American National Bank, Southwest Bank, Bank of America, Mansfield Community Bank, JPMorgan Chase Bank, BBVA Compass Bank, Regions Bank and Wells Fargo Bank.

TRANSPORTATION . . . The City is traversed from east to west by U.S. Highway 287. U.S. Highway 360 traverses the City from north to south. The City has easy access to Interstate Highway 20 and Interstate 30. Railroad freight service is provided by Southern Pacific Railroad. The City is located approximately 30 miles south of the Dallas-Fort Worth International Airport.

EDUCATION . . . The City is served by the Mansfield Independent School District which consists of one pre-kindergarten academy; 24 elementary schools with grades kindergarten through 4; one early learners academy pre-kindergarten; seven intermediate schools with grades 5 and 6; two STEM Academy, seven middle schools for grades 7 and 8; five high schools with grades 9 through 12; one career & technology academy; one early college high school and one alternative campus. Enrollment for the 2021/2022 school year was approximately 35,607. Colleges within close proximity to the City are Tarrant and Dallas County Community Colleges, Southern Methodist University, Dallas Baptist University, University of Dallas, University of North Texas, Texas Women's University, University of Texas at Dallas, University of Texas at Arlington, Texas Christian University, and Texas Tech University Health Sciences Center School of Nursing satellite campus, all of which are well known for their educational standards.

BUILDING PERMITS BY CATEGORY

Fiscal Year Ended 9/30	Commercial and Industrial		Residential		Grand Total
	Number	Amount	Number	Amount	
2020	92	$ 312,449,253	758	$ 266,028,479	$ 578,477,732
2021	86	168,760,936	943	165,415,767	334,176,703
2022	99	164,554,677	1,072	366,747,745	531,302,422
2023	75	187,946,099	550	187,835,329	375,781,428
2024	74	179,112,571	1,016	374,351,151	553,463,722

The following tables illustrate projects underway in the City as of September 30, 2024.

Estimate of Platted Residential Lots Available for Development

Development	Number of Lots Remaining	Years To Build Out	Total Projected Population
Birdsong Ph 1	11	1.0	33
Birdsong Ph 2	65	2.5	196
Charleston Townhomes	61	1.0	184
Colby Crossing Ph. 2	4	0.5	12
Damascus Gardens	9	1.0	27
Dove Chase Ph 2	19	2.5	57
Ladera at the Reserve Ph1	18	1.0	54
Legacy Estates	11	2.0	33
M3 Ranch Ph 1A and 1B	35	1.0	105
M3 Ranch Ph 2A	88	2.0	265
M3 Ranch Ph 2B	206	2.5	620
Main Street Village Town Homes	43	1.0	129
Mitchell Farms	17	1.5	51
Parkside Estates	89	1.0	268
Rockwood Addition Ph 1	13	0.5	39
Rockwood Addition Ph 2	79	1.5	238
Seeton Estates	5	1.0	15
Somerset Ph 3	14	1.0	42
Somerset Ph 4B	54	1.5	163
Somerset Ph 5A	121	2.5	364
Southpointe Ph 1A and 1B	10	1.0	30
Southpointe Ph 4	6	0.5	18
Southpointe Ph 8A	4	0.5	12
Southpointe Ph 8B	33	1.0	99
The Oaks Preserve Ph 1	9	1.0	27
The View at the Reserve Ph 1	13	1.0	39
The View at the Reserve Ph2	157	3.0	473
Triple Diamond Ranch Ph1	8	1.0	24
Triple Diamond Ranch Ph2	9	1.0	27
Watson Branch Ph. 1	39	1.5	117
Total	1,250		3,763

Estimate of Preliminary Platted Residential Lots for Future

Development	Number of Lots to be Developed	Total Projected Population
1st Avenue Townhomes	10	30
Birdsong Ph 3	103	310
Copper Creek	12	36
Dolce Vita	277	834
Kinney Park	214	644
Ladera at the Reserve Ph 2	72	217
Mymerla Estates	21	63
Retta Estates	78	235
Rockwood Ph 3 and 4	236	710
Sayers Landing	22	66
Somerset Ph 4A	24	72
South Mitchell Townhomes	86	259
Southpointe Ph 7A	80	241
Southpointe Ph 7B	100	301
The Collective Townhomes	157	473
The Collective Single-Family	12	36
The Oaks Preserve Ph 2	65	196
The Wyatt Townhomes	25	75
Watson Branch Ph 2	125	376
	1,719	5,174

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Estimate of Platted Commercial and Industrial Acreage Available for Development

Development	Number of Acres	Uses
AM-C Warehouse Addition	11.920	Industrial
Arlington Federal Credit Union	2.170	Retail Commercial
Community of Hope Add.	5.310	Retail
Creekside Plaza	3.290	Office
Easy Drive Business Park	3.890	Industrial
Enclave, The	1.480	Office
Golden Acres	3.210	Retail/Commercial
Heritage Industrial Park	10.010	Commercial/Industrial
Heritage Estates	1.460	Retail/Commercial
Highland Heights	13.380	Office/Commercial
Hillcrest Business Park	1.940	Commercial/Industrial
Jenkins Addition	0.190	Retail/Office
J.M. Thomas Addition	1.360	Retail/Commercial
Knapp Sisters Business Park	3.270	Retail/Commercial
Lightbridge Addition	2.680	Retail/Commercial
Mansfield 287 Addition	1.510	Retail/Commercial
Mansfield Debbie Lane Addition	1.270	Retail/Commercial
Mansfield Industrial Park East	2.860	Commercial/Industrial
Mansfield Marketplace	15.430	Retail/Commercial
Mansfield Medical Plaza	6.270	Office
Mansfield EDC Tower Add.	14.210	Industrial
Mansfield Police Station	3.260	Industrial
Mansfield Retail Center Addition	8.920	Retail/Commercial
Mansfield Town Center East	5.330	Retail/Commercial
Mansfield Town Center West	8.070	Retail/Commercial
McCaslin Business Park	11.670	Commercial/Industrial
McQueen Addition	8.600	Industrial
Meyergreen Business Park	0.650	Retail/Commercial
Regency Addition	3.320	Commercial
Sar Medical Plaza	2.320	Office
Sentry Industrial Park	5.510	Industrial
Stadium Plaza	4.890	Commercial/Automotive
Steadfast Heritage Addition	1.630	Commercial/Industrial
Shops at Broad Street, The	10.590	Retail/Commercial
TSC Addition	4.440	Commercial/Industrial
Tuscany on Walnut Creek	0.950	Office/Commercial
Village Off Broadway	4.006	Retail/Commercial
Vistas at Walnut Ridge	4.290	Retail/Commercial
Walnut Creek Corner	3.290	Retail/Commercial
Total	198.85	

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APPENDIX B

EXCERPTS FROM THE

CITY OF MANSFIELD, TEXAS

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2023

The information contained in this Appendix consists of excerpts from the City of Mansfield, Texas Annual 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.

The City is not obligated to pay the principal or redemption price of, or interest on, the Bonds. The Report is included in this Official Statement because the Corporation is a discretely presented component unit of the City.

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FORVIS

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forvis.com

Independent Auditor's Report

The Mayor and City Council
City of Mansfield, Texas
Mansfield, Texas

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in *Note H* to the financial statements, the City adopted Governmental Accounting Standards Board Statement No. 94, *Public-Private and Public-Public Partnership Arrangements* (PPP) *and Availability Payment Arrangements* (APA) in fiscal year 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

FORVIS, LLP

Dallas, Texas
February 23, 2024

Management's Discussion and Analysis

As management of the City of Mansfield, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The City's net position or assets and deferred outflows of resources less its liabilities and deferred inflows of resources at the close of the City's fiscal year is approximately $691 million.

- The City's deferred inflows of resources decreased approximately $(25) million due to differences between expected and actual experience for pension and OPEB plans, lease activities, and Public Private Partnerships due to the adoption of GASB 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

- The City recognized approximately $211 million in revenue from various sources of taxes, services, and capital contributions and recognized approximately $169 million in expenses in servicing the City's governmental and business enterprises.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of approximately $143 million. Approximately 11% of this $143 million is available for spending at the City's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the general fund was approximately $20 million or 24% of total general fund expenditures.

- The City and MEDC's total debt obligations (excluding premiums and discounts) increased by $37.575 million (16.92%) during the current fiscal year. This is from approximately $67.490 million in new bond proceeds offset by $29.915 million in scheduled principal payments during the year. The key factors affecting the City's debt position are as follows:

  - Combination Tax and Revenue Certificates of Obligation of $49.2 million issued for the purpose of design, development, and construction of public infrastructure and facilities.

  - General Obligation Refunding and Improvement of $13.365 million issued for the purpose of part refunding 2013 and 2014 bond series and part funding the design and construction of the expansion of the Mansfield Linear Trail Network.

  - Combination Tax and Revenue Certificates of Obligation of $4.925 million issued for the purpose of design, development, and construction of public infrastructure.

Overview of the Financial Statements

This discussion and analysis are 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on the City's assets and deferred outflows of resources less liabilities and deferred inflows of resources as the City's net financial position, or remaining net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include a Water and Sewer Fund, and Drainage Utility Fund.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Mansfield Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Mansfield Parks Facilities Development Corporation and the Mansfield Public Facility Corporation, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government. The City has three Tax Increment Financing Reinvestment Zones (TIRZs), all legally separate entities, which are geographically defined regions within the City limits established by the City. The purpose of the reinvestment zones are to pay for the public's infrastructure to be owned by the City within the region. The TIRZs are an integral part of the primary government. The City has two public improvement districts - South Pointe Public Improvement District and Starlin Public Improvement District which are also an integral part of the primary government. The City established the South Pointe PID for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. The City established the Starlin PID for the purpose of maintaining public improvements on approximately 121.5 acres. An annual assessment will fund the public improvement districts.

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the street construction fund, Mansfield Parks Facility Development Corporation, and the building construction fund, all of which are considered to be major funds. Data from the other 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, and Drainage Utility Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, considered to be a major fund of the City, and the Drainage Utility Fund, considered to be nonmajor fund of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The City adopts an annual appropriated budget for its general fund and both debt service funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $691,477,456 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (90.41%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other	$ 188,184,384	$ 147,625,133	$ 49,900,447	$ 58,141,556	$ 238,084,831	$ 205,766,689
Capital	542,243,399	510,415,281	268,583,778	241,167,318	810,827,177	751,582,599
Total assets	730,427,783	658,040,414	318,484,225	299,308,874	1,048,912,008	957,349,288
Total Deferred Outflows of Resources:	31,509,351	17,469,778	5,970,810	4,170,169	37,480,161	21,639,947
Liabilities:						
Long-Term	313,847,492	230,360,494	34,553,889	33,748,192	348,401,381	264,108,686
Other	17,342,292	13,163,776	4,051,192	3,019,971	21,393,484	16,183,747
Total liabilities	331,189,784	243,524,270	38,605,081	36,768,163	369,794,865	280,292,433
Total Deferred Inflows of Resources:	24,292,812	46,741,189	827,036	3,156,304	25,119,848	49,897,493
Net investment in capital assets	376,185,555	353,929,011	248,968,398	218,212,816	625,153,953	572,141,827
Restricted	35,784,119	35,273,649	7,708,586	12,722,562	43,492,705	47,996,211
Unrestricted	(5,515,136)	(3,957,927)	28,345,934	32,619,198	22,830,798	28,661,271
Total net position	$ 406,454,538	$ 385,244,733	$ 285,022,918	$ 263,554,576	$ 691,477,456	$ 648,799,309

As of September 30, 2023, a portion of the City's net position, $43,492,705 or (6.29)% represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position of $22,830,798 may be used to meet the government's ongoing obligations to citizens and creditors. Total net position of the City is $691,477,456.

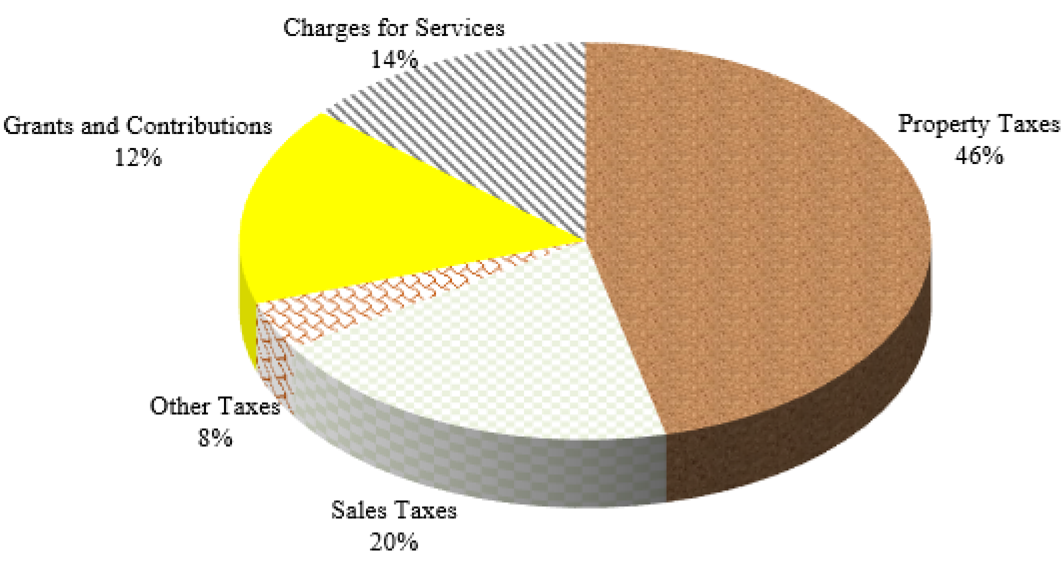
City's Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2023	2022	2023	2022	2023	2022
Beg - Net Position	$ 385,244,733	$ 342,593,742	$ 263,554,576	$ 239,782,336	$ 648,799,309	$ 582,376,078
Change in accounting principle	(424,554)	-	-	-	(424,554)	-
Beg - Net Position as restated	$ 384,820,179	$ 342,593,742	$ 263,554,576	$ 239,782,336	$ 648,374,755	$ 582,376,078
Revenues	$ 147,978,126	$ 142,145,453	$ 63,797,622	$ 59,836,652	$ 211,775,748	$ 201,982,105
Expenses	129,542,016	102,013,023	39,131,031	33,545,851	168,673,047	135,558,874
Transfers, net	3,198,249	2,518,561	(3,198,249)	(2,518,561)	-	-
Net Change in Position	21,634,359	42,650,991	21,468,342	23,772,240	43,102,701	66,423,231
End - Net Position	$ 406,454,538	$ 385,244,733	$ 285,022,918	$ 263,554,576	$ 691,477,456	$ 648,799,309

Governmental Activities

City governmental activity revenue for fiscal year 2023 increased approximately $6 million from fiscal year 2022. Revenues in fiscal year 2022 were $142.1 million compared to this fiscal year revenue of $148.0 million. One of the largest increases, $4.8 million, was in the other revenue category primarily related to an increase in investment earnings. The City had $6.8 million increase in property taxes due to the growth in assessed valuation.

Governmental Activities - Revenues by Source for fiscal year ending 2023



Expenses in fiscal year 2023 compared to expenses in fiscal year 2022 increased by 26.99% or $27.5 million. General government expenditures increased primarily due to developments in TIRZ #1 and TIRZ #2 while all expenditure categories increased due to an increase in the City's net pension liability as shown in the City's actuarial report for its net pension liability. Public works expenditures continue to increase as a response to the latest citizens' survey to improvements in streets and culture and recreation expenditures increased due to non-capital projects within the parks department.

The public works program of the City spends most of its money on street improvements, which are recognized over the course of time through depreciation expense after the improvements have been capitalized. In fiscal 2023, the City recognized $15.7 million in depreciation expense for street-related assets compared to $14.6 in fiscal 2022. Street improvements are expected to last twenty-five years with the appropriate level of maintenance and repair. This year, the City spent over $5.9 million in maintenance and repairs on its 713 plus miles of linear streets.

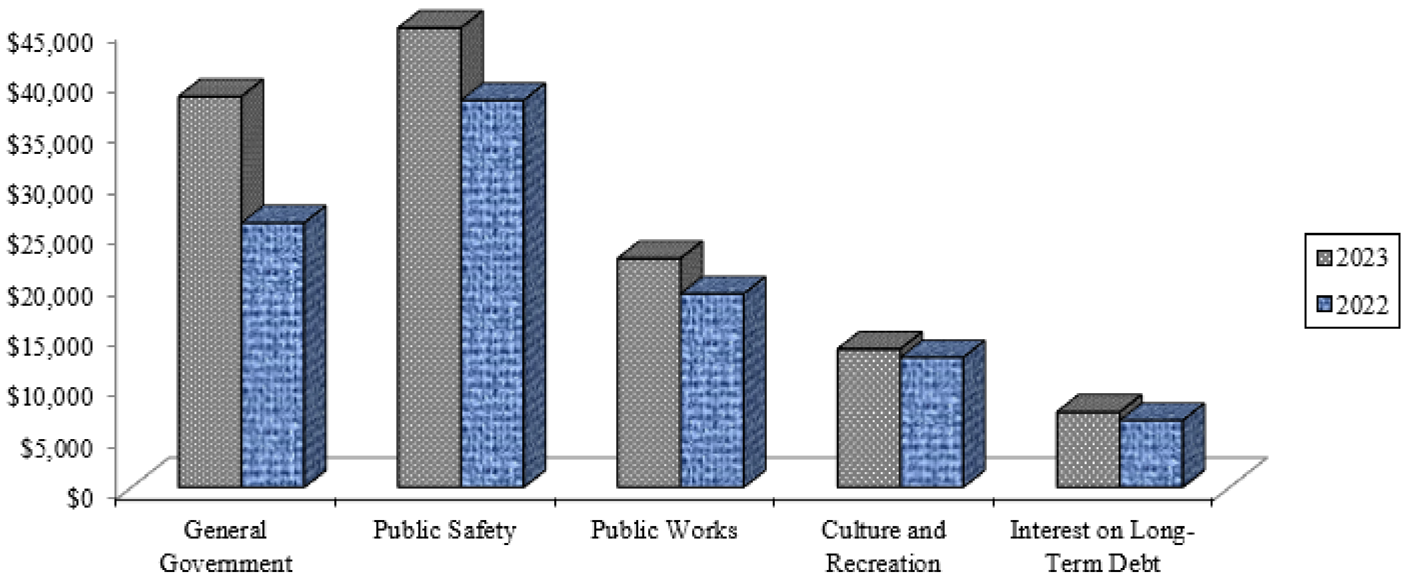
This year the City recognized $7.4 million in interest, amortization and associated issuance costs. Interest expense is the cost the City incurs for borrowing money to make long-term improvements that are generally regarded as long-term assets of the City.

This fiscal year, the Governmental activities increased the City's net position by $21.6 million. The increase in the City net position primarily increased because of capital contributions from developers constructing infrastructure assets for large developments in the City. The City also had a substantial increase in property taxes related to new commercial and residential developments that have been completed recently.

City's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES -						
Program Revenues:						
Charges for Services	$ 19,234,608	$ 21,534,786	$ 52,348,115	$ 52,600,890	$ 71,582,723	$ 74,135,676
Operating Grants and Contributions	675,274	672,718	4,274	14,977	679,548	687,695
Capital Grants and Contributions	17,752,534	25,510,560	9,582,026	6,996,184	27,334,560	32,506,744
General Revenues:						
Property taxes	69,024,245	62,262,520	-	-	69,024,245	62,262,520
Sales taxes	29,421,541	25,515,217	-	-	29,421,541	25,515,217
Other taxes	5,868,695	5,451,100	-	-	5,868,695	5,451,100
Gain on sale of capital assets	-	-	34,144	20,625	34,144	20,625
Other	6,001,229	1,198,552	1,829,063	203,976	7,830,292	1,402,528
Total Revenues	147,978,126	142,145,453	63,797,622	59,836,652	211,775,748	201,982,105
EXPENSES -						
General government	38,246,623	25,906,496	-	-	38,246,623	25,906,496
Public safety	47,973,987	37,913,447	-	-	47,973,987	37,913,447
Public works	22,410,589	18,944,257	-	-	22,410,589	18,944,257
Culture and recreation	13,541,487	12,710,287	-	-	13,541,487	12,710,287
Interest on debt	7,369,330	6,538,536	-	-	7,369,330	6,538,536
Water and Sewer	-	-	37,550,857	32,057,981	37,550,857	32,057,981
Law Enforcement	-	-	-	-	-	-
Drainage	-	-	1,580,174	1,487,870	1,580,174	1,487,870
Total Expenses	129,542,016	102,013,023	39,131,031	33,545,851	168,673,047	135,558,874
Before transfers	18,436,110	40,132,430	24,666,591	26,290,801	43,102,701	66,423,231
TRANSFERS, net	3,198,249	2,518,561	(3,198,249)	(2,518,561)	-	-
Change in net position	21,634,359	42,650,991	21,468,342	23,772,240	43,102,701	66,423,231
Net Position, Beginning	385,244,733	342,593,742	263,554,576	239,782,336	648,799,309	582,376,078
Change in accounting principle (see note H.3.)	(424,554)	-	-	-	(424,554)	-
Net Position, Beginning, as restated	384,820,179	342,593,742	263,554,576	239,782,336	648,374,755	582,376,078
Net Position, Ending	$ 406,454,538	$ 385,244,733	$ 285,022,918	$ 263,554,576	$ 691,477,456	$ 648,799,309

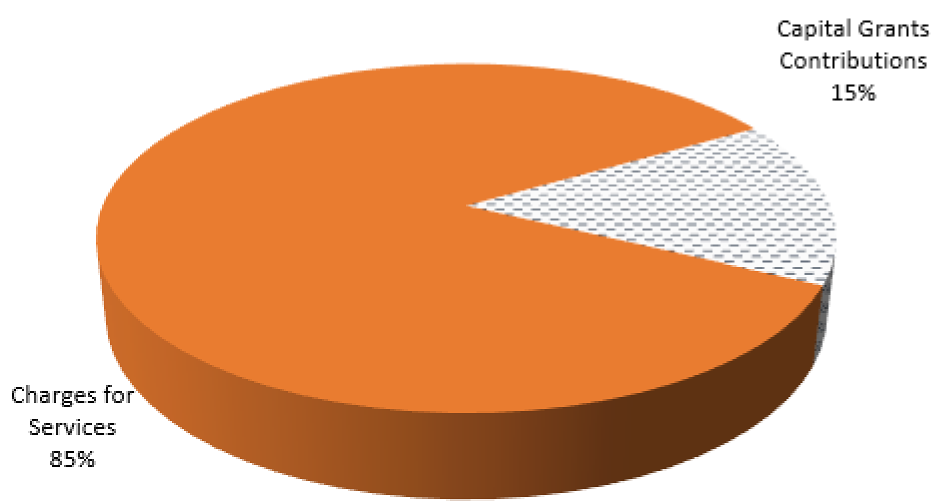
Governmental Activities – Expenses (in thousands)



Business-Type Activities

Revenues exceeded expenses for the City's business-type activities in fiscal year 2023. Total revenues including capital contributions were approximately $63.8 million and total expenses including interest expense were approximately $39.1 million while transfers out were approximately $(3.2) million which added approximately $21.5 million to the Business-Type's financial position. This increased the net position of the business-type activities from approximately $263.6 million to approximately $285.0 million by the end of fiscal year 2023.

Business-Type Activities – Revenues by Source for fiscal year ending 2023

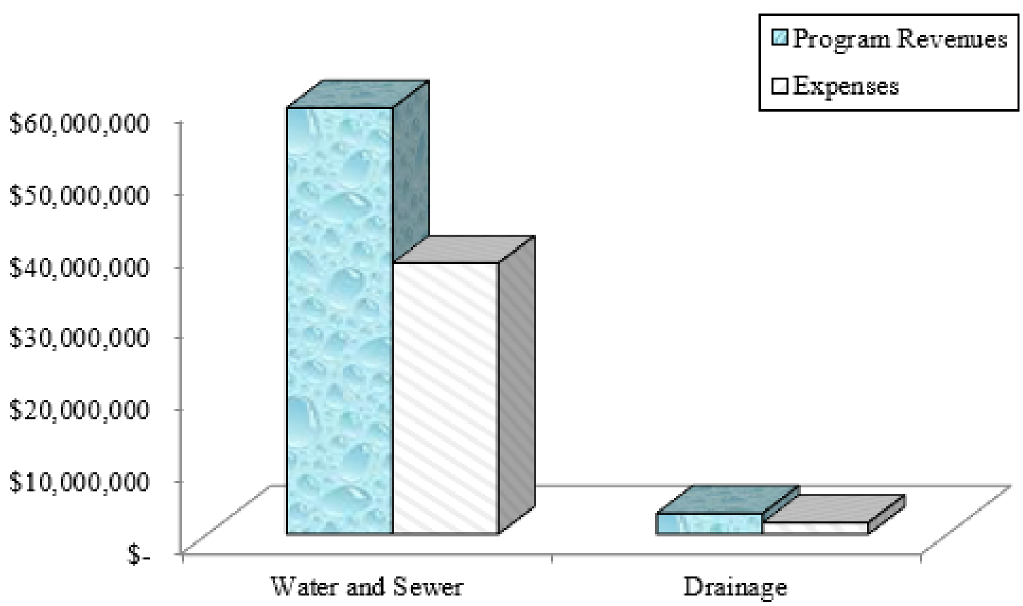


Comparatively, Business-Type Revenues exceeded prior year Business-Type Revenues by 6.62% or $4.0 million. Revenues including capital contributions for fiscal year 2023 were approximately $63.8 million, and revenues including capital contributions for fiscal year 2022 were approximately $59.8 million. Revenues increased by$4.0 million primarily due to an increase in capital contributions from developers and a interest revenue which is included in other revenue. Expenses including interest for fiscal year 2023 were approximately $39.1 million before transfers of approximately $(3.2) million, and expenses including interest expense for fiscal year 2022 were approximately $33.5 million before transfers of approximately $(2.5) million. Expenses increased by$5.6 million primarily due to an increase in the cost of water and water treatment. The increase in net position was primarily the result of the activity of the City's Water & Sewer Fund as the City's other Business-Type Funds, the Drainage Utility Fund, for fiscal year 2023 was 6.32% of the change in the net position.

Capital contributions have been a revenue source for the Business-Type Activities. These capital contributions are from the public improvements donated by developers. The City requires developers to pay for the cost of public improvements or infrastructure needed to support their developments, and in fiscal year 2023, developers contributed public improvements or assets of approximately $9.6 million. These assets are considered revenue in the year of acceptance or in the year of contribution. Generally, these capital contributions are non-cash contributions from developers and are in the form of water and sewer lines which are conveyed to the City as the developer finishes the developments.

The City's Drainage Utility charges a fee for the maintenance and continuance of the drainage improvement program of the City. The City has drainage basins that require extensive maintenance. The fee is used to service the improvement cost, debt service, and annual maintenance of the basins.

Business-Type Activities - Program Revenues and Expenses for fiscal year ending 2023



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $142,730,500, an increase of $42,555,423 in comparison with the prior year. The majority of the increase is from the issuance of bonds and those proceeds have and will be used to construct infrastructure and purchase equipment. Approximately 11.37% or $16,223,671 of the ending fund balance of $142,730,500 constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of fund balance is dedicated for legally specific or defined purposes. To indicate that it is not available for new spending because it has already been committed, assigned, or legally restricted for specific purposes, the City has labeled the remaining fund balances as follows: 1) restricted for debt service or for future construction contracts, $104,742,348, and 2) for committed purposes, $9,266,528, such as park improvements.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the general fund was $32,601,574. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent approximately 39% of total general fund expenditures for fiscal year 2023.

The City's General Fund unassigned fund balance and fund balance increased $862,833 in fiscal year 2023. The key reasons for the increases are as follows:

- Actual revenues exceeded actual expenditures by $116,685 in the general fund. The largest revenue increases were related to sales taxes $1,418,982 and property taxes $3,600,528. These increases are the direct result of recently completed and ongoing developments within the City.

- Other sources of revenue included the Water and Sewer Utility Fund's payment in-lieu of taxes to the City's General Fund for the use of the City's right of way. This amount was $3,150,816 in fiscal year 2023.

The debt service fund has a fund balance of $7,433,259, which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was $2,210,806 due to payment of debt. The City pays for tax-pledged debt through the Debt Service Fund.

The street construction fund balance increased by $12,039,235 during fiscal year 2023. This fund's fund balance increased as a result of new issued construction bonds and impact fees offset by construction payments of $8,629,459 for the improvement of major streets and neighborhood streets in and throughout the City. Impact fees are additional revenues paid by developers charged by the City for the impact or costs that new development has on primary streets within the City. The fee generated $2,143,481 in fiscal year 2023.

The Mansfield Parks Facility Development Corporation (MPFDC) fund balance increased by $4,764,106 during the fiscal year 2023. The fund balance increase is a result of an increase in sales tax revenue. The implementation of GASB Statement No. 94 resulted in a $(424,554) decrease in beginning net position balance, representing the cumulative $(424,554) effect of the change in accounting principle.

The Building Construction Fund fund balance increased by $27,615,790 during the fiscal year 2023. The fund balance increase is a result of issuing debt to fund capital projects within the City.

Proprietary Funds

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

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to $22,324,027, and for the Drainage Utility Fund amounted to $6,021,907. Factors affecting the performance of these activities are as follows:

- The City treats lake water and sells it to consumers for a fee. In fiscal year 2023, Water and Sewer revenue decreased slightly $(310,060) or (0.62)%, due to a decrease in impact fees despite an increase in water consumption and new connects to the systems.

- During fiscal year 2023, the City distributed 6.35 billion gallons of water while billing customers for 6.1 billion gallons of water usage or 96.0% of the actual plant's production. In fiscal year 2022, the City billed for 5.9 billion gallons of water usage compared to actual plant production of 6.1 billion. Actual water and sewer revenue in fiscal year 2023 increased compared to fiscal year 2022. Actual water and sewer revenue in 2023 was $45.6 million compared to $42.5 million in fiscal 2022. Distribution of water in fiscal year 2023 increased compared to the distribution in fiscal year 2022 with the increase attributable to the increase in total number of customers year over year by 850 new accounts. The water and sewer activity of the business-type activities produced operating income of $13.0 million for fiscal year 2023 as compared to $18.8 million in fiscal year 2022.

- Unrestricted net position decreased in the Water and Sewer Fund by $(4,941,096). Operating expenses increased $4.9 million over last year, excluding depreciation. Operating expenses are controlled through the direct administration of personnel costs and variable costs, which are directly caused by consumers' demand for the water. The City spent $7,838,232 for raw water in fiscal year 2023 compared to $6,368,807 in fiscal year 2022, and the City spent $9,245,369 to treat the City wastewater in fiscal 2023 compared to $8,565,362 in fiscal year 2022. The cost for raw water increased year over year by $1,469,425 while the cost to treat used water increased year over year by $680,008. The decrease in unrestricted net position is a result of decreased impact fees revenue and increased costs for water.

- The Drainage Utility Fund revenue had operating income of $1,333,797 this fiscal year. Drainage Fees were $2,851,655 and operating expenses excluding depreciation/amortization were $1,304,859.

Budgetary Highlights

General Fund

The City compared the final budget to the actual amounts for comparative purposes. The differences can be briefly summarized as follows:

Revenue results were below budgeted estimates by $(651,784) for fiscal year ended 2023:

- Property Taxes were below budgeted estimates by $(6,111,921) as collections were less than anticipated. Property valuations improved year over year but the City adopted a 12% homestead exemption and decreased the current tax rate from $0.69 to $0.68 per $100 of valuation in fiscal year 2023 which limited the taxable growth compared to the prior year.

- Sales Taxes exceeded budgeted projections by $1,576,335 due to new developments opening that created new sales tax collections.

- Licenses and permits exceeded budgeted estimates by $338,932. The City's building permit revenues were above expectations due to the North Texas economy in general, and high demand for home builders and developers to be in Mansfield.

- Intergovernmental revenue was over budget by $355,905 due to unexpected grant revenue that was awarded to the City in fiscal year 2023. Most of the grant revenue received by the City in fiscal year 2023 was from the American Rescue Plan Act.

- Charges for services exceeded budgeted estimates by $740,522 as the majority of the better than expected revenue was derived from the collection of additional inspections fees for developments within the City.

- The most significant expenditure of the City was on human capital. Management has been effective in maintaining the human capital costs of the organization. With the other financing sources and uses activity included with the operational activity, the City's revenue exceeded its expenditures for the fiscal year by $862,833. The City was under the overall budget of expenditures (including transfers out) of $87,524,969 by $(1.7) million due to an increase in general government expenditures related to human capital. The excess expenditures were offset by sales tax revenue and the remaining overages were covered by revenues being higher than originally anticipated.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023 amounts to $810,827,177 (net of accumulated depreciation/amortizatinon). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

City's Capital Assets (net of depreciation/amortization)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 110,487,196	$ 108,336,387	$ 9,776,000	$ 2,466,262	$ 120,263,196	$ 110,802,649
Buildings and system	98,181,351	97,374,616	168,094,960	162,351,939	266,276,311	259,726,555
Improvements	10,257,488	11,671,002	406,704	158,006	10,664,192	11,829,008
Machinery and equipment	16,108,084	14,503,264	2,564,476	1,505,203	18,672,560	16,008,467
Infrastructure	262,495,367	257,938,348	74,084,103	66,299,447	336,579,470	324,237,795
Construction in progress	40,323,971	20,591,664	13,346,040	8,386,461	53,670,011	28,978,125
Leased assets	245,196	94,087	33,430	-	278,626	94,087
Subscription assets	4,144,746	-	278,065	-	4,422,811	-
Total	$ 542,243,399	$ 510,509,368	$ 268,583,778	$ 241,167,318	$ 810,827,177	$ 751,676,686

Governmental Capital Assets

Roadway expansion and improvements remain a primary element of the City's public works program. In 2023, several major arterial thoroughfares in the City were widened to provide access to Mansfield's developing retail centers. Mansfield has leveraged future tax revenue with general obligation bonds and anticipated the collection of roadway impact fees to pay for an expected $90 million in new street improvements over the next 10 years.

Street projects in fiscal year 2023:

- The City continued to improve Heritage Parkway and Day Miar Road. Other road improvements include the completion of Holland Road improvements.

- Several small arterial streets are under construction and design throughout neighborhoods.

- In total, the City spent $8,629,459 in street improvements and related work during fiscal year 2023.

- Development in the City continues to be strong with many residential and commercial projects in various stages of contstruction and planning. These projects result in private developers constructing infrastructure and donating it to the City to maintain. These developers contributions are added to the City's capital assets and totaled $17,352,534 in fiscal year 2023. The largest developments included M3 Ranch Phases 2B, South Pointe Phase 8B, Birdsong Phase 2, and Rockwood Phase 2.

Most of the capital assets that were added to construction in progress or the asset base of the City during fiscal year 2023 were planned or budgeted expenditures during fiscal year 2023. The City plans its asset expansion with deliberate budgetary control and oversight as these costs are substantial and have a significant effect on the operational cost and performance of the City.

Business-Type Capital Assets

The City's municipally owned and operated water and sewer system has maintained its superior rating by the Texas Commission on Environmental Quality. The City has planned more than $65 million of water/sewer improvements over the next ten years to be paid for by a combination of cash on hand, bonds, and impact fees. These fees are designed to reduce the system's initial costs in building and running water and sewer lines to the user. These impact fees must be used for capital purposes and are restricted as to use by law. Business-type capital assets increased approximately $27.4 million from the previous year. Current major projects in progress include the US 287 Frontage Rd. utility relocation project ($3.6 million project to date) and aerial sewer repairs ($3.5 million project to date) to increase storage capacity within the system.

The City's drainage program had some improvements this year which were mostly related to improving systems detention basins. The City has spent over $8.0 million on the drainage improvements as of September 30, 2023.

For additional information on the City's capital assets, see note III.C. of the basic financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total principal outstanding of $259,595,000. Of this amount, $192,175,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City's Component Unit, Mansfield Economic Development Corporation, MEDC, has $17,880,000 in outstanding debt backed by a voter passed sales tax.

City's Outstanding Debt - Tax Obligations and Revenue Bonds

	Governmental Activities	Business-Type Activities	Component Unit MEDC	Total
Security Instrument:				
Tax obligation bonds	$ 192,175,000	$ -	$ -	$ 192,175,000
Sales tax revenue bonds	27,715,000	-	17,880,000	45,595,000
Revenue bonds	-	21,825,000	-	21,825,000
Total	$ 219,890,000	$ 21,825,000	$ 17,880,000	$ 259,595,000

The City's total debt increased $37,575,000 or 16.92% during the current fiscal year. Key factors for the increase are the issuance of three new bond series offset by principal payments on existing outstanding debt. The City issued $67,490,000 in new bonds. The City maintains bond ratings from three rating agencies:

Company	General Fund Bonds	Water and Sewer Revenue Bonds	Sales Tax Revenue Bonds	Drainage Revenue Bonds
Moody's	"Aa1"	"Aa2"	"Aa1/Aa1"	"Aa2"
Standard & Poor's	"AAA"	"AA+"	"AA-/AA+"	"AA"
Fitch	"AA+"	"AAA"	"AA+"	"AAA"

For additional information on the City's debt obligations, see note III. G, of the basic financial statements.

The City Charter of the City and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 populations, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. The City operates under a Home Rule Charter, which also imposes a limit of $2.50. The FY 2022/2023 Property Tax Rate was $0.68000 per $100 valuation with a tax margin of $1.82000 per $100 valuation based upon the maximum ad valorem tax rate noted above. Additional revenues up to $172,245,945, per year could be raised before reaching the maximum allowable tax base on the current year's appraised net taxable value of $9,464,062,938.

Economic Factors: Next Year's Budgets and Rates

The City Economy

- New residential developments that include approximately 3,481 lots are in some phase of development. The City's tax year is one year in arrears; the housing starts in 2023 are for budget year or fiscal year 2025.

- The City's annual growth in property valuation has increased 10.35 % annually on average for the past ten years and now including a 14% homestead exemption that will be into effect in fiscal year 2024. For fiscal year 2024, the City's valuations are expected to increase 15.29%. Property valuations are expected to remain strong in fiscal 2024 and into 2025 due to residential growth, the City is a good place to live as crime is low, school ratings are fairly high, land is affordable, and the City's proximity to Dallas and Fort Worth. The City is developing a discernible and identifiable character of being a place to enjoy a good quality life. These intangible characteristics developed recently - over the last decade. The City is also seeing the continued demand for commercial development because of the significant discretionary spending ability of its residents and the relatively stable economy within the City.

- Sales tax revenue is expected to increase with the new residential development and will grow annually; like property valuations, the City has adjusted its projections of anticipated sales tax receipts in 2024 and 2025. The expected budgeted sales tax receipts in 2024 are anticipated to exceed budget collections of 2023 by 11.82%. Management is monitoring the collections of sales tax revenue and may modify projections into 2023 depending upon the overall economy.

- Retail developments continue into 2024 and 2025. The challenge has been the effect of the national economy and the ability of companies and businesses to obtain capital financing. The City has taken an aggressive position in continuing development in the City because of the support for continued retail development and the community's expectation of additional retail. Development is expected to continue and new property valuations are expected from these developments.

- Median income continues to be an attractive asset for additional development and many in the development community are planning on capturing this income through commercial developments.

- The City has developed stringent building standards that require sustainable developments to assist in extending the asset life of the tax base into the future.

- Efforts have been made to revitalize the City's downtown. The area has suffered in past years from the lack of commerce and trade. The City has created a reinvestment zone to restore and generate new development in this area of the City. The City has purchased land and offered incentives to businesses for locating their new operations in the downtown area. The area is beginning to show signs of growth from the efforts and incentives.

These variables were considered in preparing the City's budget for the 2024 fiscal year.

The City's 2024 General Fund Operating Revenue Budget increased approximately 8.25% over the fiscal year 2023 budget. Most of this revenue growth was from new development in the City that generated additional property tax and sales tax revenue. The tax rate was lowered to $0.659293 per $100 in assessed valuation of property within the City limits and the homestead exemption was increased to 14% for fiscal year 2024. Any additional appropriations made during fiscal year 2024 will be offset through the management of the operating expenditures of the General Fund during the course of fiscal year 2024.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Mansfield, 1200 E. Broad Street, Mansfield, Texas 76063. Questions may also be directed to 817-276-4296.

City of Mansfield, Texas
Statement of Net Position
As of September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	MEDC
ASSETS				
Cash and cash equivalents and investments	$ 148,947,049	$ 34,941,752	$ 183,888,801	$ 15,247,204
Receivables (net of allowance for uncollectibles)	8,778,333	5,967,869	14,746,202	1,664,703
Assets Acquired for Sale	12,497,953	-	12,497,953	-
Inventories	-	1,238,245	1,238,245	-
Restricted assets:				
Cash and cash equivalents and investments	-	7,708,586	7,708,586	1,066,352
Lease receivable	300,256	43,995	344,251	-
Public-Private Partnerships receivable	17,660,793	-	17,660,793	-
Capital assets (net of accumlated depreciation/amortization):				
Land	110,487,196	9,776,000	120,263,196	12,846,835
Buildings and systems	98,181,351	168,094,960	266,276,311	579,186
Improvements other than buildings	10,257,488	406,704	10,664,192	5,789,096
Machinery and equipment	16,108,084	2,564,476	18,672,560	-
Infrastructure	262,495,367	74,084,103	336,579,470	-
Construction in progress	40,323,971	13,346,040	53,670,011	10,641,381
Leased assets	245,196	33,430	278,626	4,189
Subscription assets	4,144,746	278,065	4,422,811	-
Subtotal capital assets	542,243,399	268,583,778	810,827,177	29,860,687
Total assets	730,427,783	318,484,225	1,048,912,008	47,838,946
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension contributions	5,281,618	711,996	5,993,614	71,399
Deferred OPEB contributions	943,346	136,276	1,079,622	7,124
Deferred investment losses	13,253,743	1,804,532	15,058,275	168,683
Deferred assumption changes	301,714	38,980	340,694	4,068
Deferred actuarial experience	10,167,392	1,405,654	11,573,046	116,653
Deferred loss on refunding	1,561,538	1,873,372	3,434,910	9,260
Total deferred outflows of resources	31,509,351	5,970,810	37,480,161	377,187
LIABILITIES				
Accounts payable and other current liabilities	13,957,106	3,580,049	17,537,155	479,311
Liabilities payable from restricted assets	3,385,186	471,143	3,856,329	-
Accrued interest payable	1,773,269	154,601	1,927,870	-
Noncurrent liabilities:				
Due within one year	17,119,124	3,974,511	21,093,635	1,990,277
Due in more than one year	231,274,160	22,328,640	253,602,800	16,643,110
Net pension liability	39,193,207	5,283,516	44,476,723	529,827
Net OPEB liability	18,361,603	2,677,822	21,039,425	129,128
Total OPEB liability - SDBF	1,047,176	134,799	1,181,975	14,114
Unearned revenue	5,078,953	-	5,078,953	-
Total liabilities	331,189,784	38,605,081	369,794,865	19,785,767
DEFERRED INFLOWS OF RESOURCES				
Deferred assumption changes	529,950	68,218	598,168	7,143
Deferred actuarial experience	325,283	43,217	368,500	4,393
Plan changes - Net OPEB	4,523,559	659,708	5,183,267	31,812
Deferred gain on refunding	132,911	-	132,911	-
Deferred inflows from leases	285,769	55,893	341,662	-
Deferred Inflows from PPP	18,495,340	-	18,495,340	-
Total deferred inflows of resources	24,292,812	827,036	25,119,848	43,348
NET POSITION				
Net investment in capital assets	376,185,555	248,968,398	625,153,953	12,082,913
Restricted for:				
Debt Service	8,037,209	3,865,168	11,902,377	246,052
Capital Projects	15,379,625	3,843,418	19,223,043	-
Courts	642,678	-	642,678	-
Parks	9,011,120	-	9,011,120	-
Grants	277,639	-	277,639	-
Tourism	2,435,848	-	2,435,848	-
Unrestricted	(5,515,136)	28,345,934	22,830,798	16,058,053
Total net position	$ 406,454,538	$ 285,022,918	$ 691,477,456	$ 28,387,018

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

City of Mansfield, Texas
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	MEDC
		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government			Component Unit
Primary government:								
Governmental activities:								
General government	$ 38,246,623	$ 9,540,158	$ 62,343	$ 400,000	$ (28,244,122)	$ -	$ (28,244,122)	$ -
Public safety	47,973,987	4,053,811	612,931	-	(43,307,245)	-	(43,307,245)	-
Public works	22,410,589	3,173,081	-	17,352,534	(1,884,974)	-	(1,884,974)	-
Culture and recreation	13,541,487	2,467,558	-	-	(11,073,929)	-	(11,073,929)	-
Interest on long-term debt	7,369,330	-	-	-	(7,369,330)	-	(7,369,330)	-
Total governmental activities	129,542,016	19,234,608	675,274	17,752,534	(91,879,600)	-	(91,879,600)	-
Business-type activities:								
Water	26,737,038	32,951,252	-	5,059,114	-	11,273,328	11,273,328	-
Sewer	10,813,819	16,536,685	-	4,522,912	-	10,245,778	10,245,778	-
Drainage	1,580,174	2,860,178	4,274	-	-	1,284,278	1,284,278	-
Total business-type activities	39,131,031	52,348,115	4,274	9,582,026	-	22,803,384	22,803,384	-
Total primary government	$ 168,673,047	$ 71,582,723	$ 679,548	$ 27,334,560	$ (91,879,600)	$ 22,803,384	$ (69,076,216)	$ -
Component units:								
MEDC	4,741,879	-	-	-	-	-	-	(4,741,879)
Total component units	$ 4,741,879	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,741,879)
General revenues:								
Property taxes					69,024,245	-	69,024,245	-
Sales taxes					29,421,541	-	29,421,541	9,822,985
Franchise taxes					4,398,379	-	4,398,379	-
Mixed drink taxes					366,812	-	366,812	-
Hotel/Motel taxes					1,103,504	-	1,103,504	-
Unrestricted investment earnings					5,844,197	1,829,063	7,673,260	572,159
Gas royalty income					157,032	-	157,032	-
Gain on sale of capital assets					-	34,144	34,144	138,613
Transfers					3,198,249	(3,198,249)	-	-
Total general revenues					113,513,959	(1,335,042)	112,178,917	10,533,757
Change in net position					21,634,359	21,468,342	43,102,701	5,791,878
Net position, beginning					385,244,733	263,554,576	648,799,309	22,595,140
Change in accounting principle (see note H.3.)					(424,554)	-	(424,554)	-
Net position, beginning as restated					384,820,179	263,554,576	648,374,755	22,595,140
Net position, ending					$ 406,454,538	$ 285,022,918	$ 691,477,456	$ 28,387,018

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

City of Mansfield, Texas
Balance Sheet
Governmental Funds
As of September 30, 2023

	General	Debt Service	Street Construction	Building Construction	Mansfield Parks Facility Development Corporation	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash, cash equivalents, and investments	$ 20,913,233	$ 7,451,851	$ 44,599,440	$ 37,768,148	$ 17,890,703	$ 20,323,674	$ 148,947,049
Receivables (net of allowance for uncollectibles)	5,921,322	67,661	-	-	1,969,458	819,892	8,778,333
Assets Acquired for Sale	12,497,953	-	-	-	-	-	12,497,953
Lease receivable	-	-	-	-	300,256	-	300,256
PPP receivable	-	-	-	-	17,660,793	-	17,660,793
Due from other funds	4,190,763	-	-	-	-	24,582	4,215,345
Total assets	$ 43,523,271	$ 7,519,512	$ 44,599,440	$ 37,768,148	$ 37,821,210	$ 21,168,148	$ 192,399,729
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	$ 5,702,497	$ 500	$ 3,059,161	$ 2,476,607	$ 460,404	$ 1,125,065	$ 12,824,234
Due to other funds	-	-	-	-	-	4,215,345	4,215,345
Accrued liabilities	1,892,208	-	192,767	-	1,003,565	4,839	3,093,379
Retainage payable	-	-	434,087	909,629	10,728	70,233	1,424,677
Unearned revenue	46,735	-	-	-	119,681	4,912,537	5,078,953
Total liabilities	7,641,440	500	3,686,015	3,386,236	1,594,378	10,328,019	26,636,588
DEFERRED INFLOWS OF RESOURCES							
Unavailable property taxes	184,628	85,753	-	-	-	1,455	271,836
Unavailable sales taxes	1,768,134	-	-	-	884,067	-	2,652,201
Unavailable mixed drink taxes	30,260	-	-	-	-	-	30,260
Unavailable ambulance revenue	1,136,130	-	-	-	-	-	1,136,130
Unavailable court revenue	58,150	-	-	-	-	-	58,150
Unavailable grants	102,955	-	-	-	-	-	102,955
Deferred inflows from leases	-	-	-	-	285,769	-	285,769
Deferred inflows from PPP	-	-	-	-	18,495,340	-	18,495,340
Total deferred inflows of resources	3,280,257	85,753	-	-	19,665,176	1,455	23,032,641
Fund balances:							
Nonspendable	$ 12,497,953	$ -	$ -	$ -	$ -	$ -	$ 12,497,953
Restricted		7,433,259	40,913,425	34,381,912	7,550,536	14,463,216	104,742,348
Committed	-	-	-	-	9,011,120	255,408	9,266,528
Unassigned	20,103,621	-	-	-	-	(3,879,950)	16,223,671
Total fund balances	32,601,574	7,433,259	40,913,425	34,381,912	16,561,656	10,838,674	142,730,500
Total liabilities, deferred inflows of resources, and fund balances	$ 43,523,271	$ 7,519,512	$ 44,599,440	$ 37,768,148	$ 37,821,210	$ 21,168,148	$ 192,399,729

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported at the fund level	542,243,399
Deferred outflows of resources related to pensions, OPEB, and deferred amounts on bond refundings are not financial resources and, therefore, are not reported at the fund level.	31,509,351
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable at the fund level.	4,251,532
Long-term liabilities, including bonds payable, leases payable, pension liabilities, OPEB, compensated absences, and accrued interest payable are not due and payable in the current period and, therefore are not reported at the fund level.	(308,768,539)
Deferred inlows of resources related to pensions, OPEB, and deferred amounts on bond refundings are not financial resources and, therefore, are not reported at the fund level.	(5,511,705)
Net position of governmental activities	$ 406,454,538

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

	General	Debt Service	Street Construction	Building Construction	Mansfield Parks Facility Development Corporation	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property	$ 42,840,686	$ 20,779,739	$ -	$ -	$ -	$ 5,819,218	$ 69,439,643
Sales	19,613,609	-	-	-	6,626,695	3,158,885	29,399,189
Franchise	4,368,119	-	-	-	-	-	4,368,119
Mixed drink	366,812	-	-	-	-	-	366,812
Hotel/motel	-	-	-	-	-	1,103,504	1,103,504
Licenses and permits	3,287,058	-	-	-	-	-	3,287,058
Intergovernmental	555,905	-	-	-	-	132,773	688,678
Charges for services	7,734,372	-	-	-	2,257,091	82,877	10,074,340
Fines	1,172,990	-	-	-	-	34,428	1,207,418
Interest earnings	1,016,577	81,107	1,489,950	1,549,358	1,250,591	456,614	5,844,197
Contributions and donations	16,957	-	-	-	3,495	440,584	461,036
Impact fees	-	-	2,143,481	-	1,355,400	-	3,498,881
Miscellaneous	2,018,811	2,005	2,256	3,224	151,652	90,176	2,268,124
Total revenues	82,991,896	20,862,851	3,635,687	1,552,582	11,644,924	11,319,059	132,006,999
EXPENDITURES							
Current:							
General government	26,784,608	-	-	779	-	11,080,676	37,866,063
Public safety	45,230,640	-	-	11,380	-	117,621	45,359,641
Public works	5,889,375	-	529,435	-	-	-	6,418,810
Culture and recreation	4,940,588	-	-	-	5,796,319	13,964	10,750,871
Debt service:							
Principal	-	13,215,000	-	-	-	1,965,000	15,180,000
Interest	-	5,033,350	-	-	-	1,192,847	6,226,197
Fiscal charges	-	155,855	-	-	-	6,491	162,346
Bond issuance cost	-	-	175,168	435,807	-	108,207	719,182
Capital outlay:							
Capital outlay	30,000	-	8,629,459	13,616,633	1,247,031	8,825,895	32,349,018
Total expenditures	82,875,211	18,404,205	9,334,062	14,064,599	7,043,350	23,310,701	155,032,128
Excess (deficiency) of revenues over (under) expenditures	116,685	2,458,646	(5,698,375)	(12,512,017)	4,601,574	(11,991,642)	(23,025,129)
OTHER FINANCING SOURCES (USES)							
Transfers in	3,710,269	-	-	-	318,552	2,662,245	6,691,066
Transfers out	(2,980,797)	-	-	-	(156,020)	(356,000)	(3,492,817)
Sale of city property	16,676	-	-	-	-	58,909	75,585
Escrow for current refunding	-	(9,414,003)	-	-	-	-	(9,414,003)
Bonds issued	-	8,350,000	16,612,569	37,602,431	-	4,925,000	67,490,000
Premium on bonds issued	-	816,163	1,125,041	2,525,376	-	188,695	4,655,275
Total other financing sources (uses)	746,148	(247,840)	17,737,610	40,127,807	162,532	7,478,849	66,005,106
Net change in fund balances	862,833	2,210,806	12,039,235	27,615,790	4,764,106	(4,512,793)	42,979,977
Fund balances - beginning	31,738,741	5,222,453	28,874,190	6,766,122	12,222,104	15,351,467	100,175,077
Change in accounting principle (see note H.3.)	-	-	-	-	(424,554)	-	(424,554)
Fund balances - beginning as restated	31,738,741	5,222,453	28,874,190	6,766,122	11,797,550	15,351,467	99,750,523
Fund balances - ending	$ 32,601,574	$ 7,433,259	$ 40,913,425	$ 34,381,912	$ 16,561,656	$ 10,838,674	$ 142,730,500

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

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

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

Net change in fund balances total governmental funds	$ 42,979,977
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlay, developers contributions, and proceeds from financing related to leases and subscriptions exceeded disposals and depreciation/amortization in the current period.	31,828,118
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,236,622)
Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. Current year pension and OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures, and changes in fund balances and as actuarially determined in the government-wide statement of activities.	2,761,700
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(54,698,814)
Changes in net position of governmental activities	$ 21,634,359

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

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

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major Fund	
	Water and Sewer	**Drainage Utility**	**Total**
ASSETS			
Current assets:			
Cash and cash equivalents	$ 28,454,219	$ 6,487,533	$ 34,941,752
Accounts receivable (net of allowance for uncollectibles)	5,695,042	272,827	5,967,869
Lease receivable	43,995	-	43,995
Inventories	1,238,245	-	1,238,245
Current assets	35,431,501	6,760,360	42,191,861
Current restricted assets:			
Cash and cash equivalents	7,630,601	77,985	7,708,586
Total current assets	43,062,102	6,838,345	49,900,447
Noncurrent assets:			
Capital assets:			
Land	7,925,901	1,850,099	9,776,000
Buildings and systems	319,660,295	7,986,773	327,647,068
Improvements other than buildings	423,916	43,775	467,691
Machinery and equipment	5,608,324	853,939	6,462,263
Construction in progress	12,907,503	438,537	13,346,040
Leased asset	43,927	-	43,927
Subscription asset	304,451	-	304,451
Less accumulated depreciation/amortization	(87,178,569)	(2,285,093)	(89,463,662)
Total capital assets (net of accumulated depreciation/amortization)	259,695,748	8,888,030	268,583,778
Total noncurrent assets	259,695,748	8,888,030	268,583,778
Total assets	302,757,850	15,726,375	318,484,225
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension contributions	641,105	70,891	711,996
Deferred OPEB contributions	121,022	15,254	136,276
Deferred investment losses	1,621,679	182,853	1,804,532
Deferred assumption changes	35,169	3,811	38,980
Deferred actuarial experience	1,259,409	146,245	1,405,654
Deferred loss on refunding	1,849,545	23,827	1,873,372
Total deferred outflows of resources	5,527,929	442,881	5,970,810
LIABILITIES			
Current liabilities:			
Accounts payable	$ 1,692,253	$ 21,877	$ 1,714,130
Compensated absences	413,308	39,029	452,337
Accrued liabilities	385,751	12,868	398,619
Current liabilities	2,491,312	73,774	2,565,086
Currrent liabilities payable from restricted assets:			
Customer deposits payable	1,823,227	-	1,823,227
Revenue bonds payable	3,306,118	490,185	3,796,303
Accrued interest payable	148,561	6,040	154,601
Retainage payable	383,915	5,126	389,041
Current liabilities payable from restricted assets	5,661,821	501,351	6,163,172
Total current liabilities	8,153,133	575,125	8,728,258
Noncurrent liabilities:			
Compensated absences	667,662	87,572	755,234
Revenue bonds payable (net of deferred amount on refunding)	20,578,343	447,109	21,025,452
Total OPEB liability - SDBF	121,642	13,157	134,799
Net OPEB liability	2,375,112	302,710	2,677,822
Net pension liability	4,757,441	526,075	5,283,516
Total noncurrent liabilities	28,500,200	1,376,623	29,876,823
Total liabilities	36,653,333	1,951,748	38,605,081
DEFERRED INFLOWS OF RESOURCES			
Deferred assumption changes	61,560	6,658	68,218
Deferred actuarial experience	38,940	4,277	43,217
Plan changes - Net OPEB	585,132	74,576	659,708
Deferred inflows from leases	55,893	-	55,893
Total deferred inflows of resources	741,525	85,511	827,036
NET POSITION			
Net investment in capital assets	240,936,293	8,032,105	248,968,398
Restricted for debt service	3,787,183	77,985	3,865,168
Restricted for capital projects	3,843,418	-	3,843,418
Unrestricted	22,324,027	6,021,907	28,345,934
Total net position	$ 270,890,921	$ 14,131,997	$ 285,022,918

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

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

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major Fund	
	Water and Sewer	**Drainage Utility**	**Total**
Operating revenues:			
Charges for sales and services:			
Water sales	$ 29,013,694	$ -	$ 29,013,694
Sewer charges	16,536,685	-	16,536,685
Drainage fees	-	2,851,655	2,851,655
Other services	3,970,605	12,797	3,983,402
Total operating revenues	49,520,984	2,864,452	52,385,436
Operating expenses:			
Costs of sales and services	27,637,321	304,675	27,941,996
Administration	2,812,115	1,000,184	3,812,299
Depreciation/Amortization	6,106,906	225,796	6,332,702
Total operating expenses	36,556,342	1,530,655	38,086,997
Operating income	12,964,642	1,333,797	14,298,439
Nonoperating revenues (expenses):			
Interest earnings	1,704,805	125,355	1,830,160
Interest expense	(989,324)	(54,710)	(1,044,034)
Total nonoperating revenues (expenses)	715,481	70,645	786,126
Income before contributions and transfers	13,680,123	1,404,442	15,084,565
Capital contributions	9,582,026	-	9,582,026
Transfers (out)	(3,150,816)	(47,433)	(3,198,249)
Change in net position	20,111,333	1,357,009	21,468,342
Total net position - beginning	250,779,588	12,774,988	263,554,576
Total net position - ending	$ 270,890,921	$ 14,131,997	$ 285,022,918

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

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

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Drainage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer and users	$ 48,042,439	$ 2,839,204	$ 50,881,643
Payments to suppliers	(22,476,094)	(475,549)	(22,951,643)
Payments to employees	(6,966,807)	(819,739)	(7,786,546)
Net cash provided by operating activities	18,599,538	1,543,916	20,143,454
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer to/from other funds	(3,150,816)	(47,433)	(3,198,249)
Net cash used in noncapital financing activities	(3,150,816)	(47,433)	(3,198,249)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(23,570,606)	(461,125)	(24,031,731)
Principal paid on capital debt	(3,070,000)	(475,000)	(3,545,000)
Interest paid on capital debt	(1,138,522)	(36,042)	(1,174,564)
Net cash used in capital and related financing activities	(27,779,128)	(972,167)	(28,751,295)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	1,704,805	125,355	1,830,160
Net cash provided by investing activities	1,704,805	125,355	1,830,160
Net increase (decrease) in cash and cash equivalents	(10,625,601)	649,671	(9,975,930)
Cash and cash equivalents, October 1	46,710,421	5,915,847	52,626,268
Cash and cash equivalents, September 30 (including $7,630,601; and $77,985 for the Water and Sewer fund and Drainage Utility fund, respectively, reported in restricted accounts)	$ 36,084,820	$ 6,565,518	$ 42,650,338
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 12,964,642	$ 1,333,797	$ 14,298,439
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation / amortization expense	6,106,906	225,796	6,332,702
(Increase) in accounts receivable	(1,494,630)	(25,248)	(1,519,878)
(Increase) in inventories	(214,943)	-	(214,943)
(Increase) in deferred outflows of resources	(1,834,882)	(197,480)	(2,032,362)
Increase in net pension liability	3,547,176	372,955	3,920,131
Increase in OPEB liability	211,174	60,042	271,216
(Decrease) in deferred inflows of resources	(2,093,424)	(235,844)	(2,329,268)
Increase/(decrease) in accrued wages payable	266,974	(1,996)	264,978
Increase in customer deposits	16,085	-	16,085
Increase in compensated absences	208,594	39,182	247,776
Increase/(decrease) in accounts payable	915,866	(27,288)	888,578
Total adjustments	$ 5,634,896	$ 210,119	$ 5,845,015
Net cash provided by operating activities	$ 18,599,538	$ 1,543,916	$ 20,143,454
Noncash capital activities:			
Contributions of capital assets from developers	$ 9,582,026	$ -	$ 9,582,026

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

City of Mansfield, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

		Retiree Health Insurance OPEB Trust
ASSETS		
Cash and cash equivalents	$	1,078,722
Investments:		
Mutual funds - Equity		11,573,883
Mutual funds - Fixed income		11,480,456
Accrued income		17,201
Total assets	$	24,150,262
NET POSITION		
Restricted for:		
Other Post Employment Benefits		24,150,262
	$	24,150,262

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

City of Mansfield, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

		Retiree Health Insurance OPEB Trust
ADDITIONS		
Investment earnings:		
Contribution	$	1,000,000
Interest		39,134
Dividends		503,448
Net increase in fair value of investments		1,053,006
Decrease in net accrued income		(60,505)
Total investment earnings		2,535,083
Total additions		2,535,083
DEDUCTIONS		
Administrative expenses		96,507
Total deductions		96,507
Net increase in fiduciary net position		2,438,576
Net position, beginning of year		21,711,686
Net position - ending	$	24,150,262

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

I. Summary of Significant Accounting Policies

The financial statements of the City of Mansfield, Texas (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described herein.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member Council. As required by GAAP, these financial statements present the City and its component units, for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations, and data from these units are combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

Mansfield Park Facilities Development Corporation (MPFDC) - The MPFDC board of directors is appointed by the City Council, and the City management maintains significant continuing management responsibility with respect to MPFDC policies. Additionally, the City is ultimately responsible for MPFDC fiscal matters. The MPFDC provides services exclusively to the City (i.e., the MPFDC constructs capital assets on behalf of the City). The MPFDC does not issue separate financial statements and the MPFDC is included in the governmental funds.

Mansfield Public Facility Corpoartion - The MPFC board of directors is comprised of the Mayor and the City Council. The purpose of the MPFC is to assist the City in financing, refinancing, or providing public facilities. The City is ultimately responsible for MPFC fiscal matters and the MPFC provides services exclusively to the City. The MPFC does not issue separate financial statements and is includded in the governmental funds.

Mansfield Tax Increment Financing Reinvestment Zone Number One (TIRZ #1) - The City and the City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of the TIRZ #1. The TIRZ #1 board of directors is a seven-member board; four members of the board of directors are members of the City's Council with the remaining three board members appointed by the participating entities of the TIRZ #1 unless the participating entity waives its right to board membership, which at such time the City may appoint a member in its stead. Two Counties, Tarrant, and Ellis County, participate in the City's TIRZ #1 as it is a 3,100-acre tract of land that is in three Counties. The TIRZ #1 does not issue separate financial statements, as the TIRZ #1 is included as a major fund of the City. The TIRZ #1 was established in December 2006 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #1, which are owned and maintained by the City.

Mansfield Tax Increment Financing Reinvestment Zone Number Two (TIRZ #2) – The City and the City's management maintain significant influence and responsibility in the approval of programs, expenditures, and obligations of the TIRZ #2. The TIRZ #2 board of directors is a five-member board; four members of the board of directors are members of the City's Council with the remaining board member appointed by Tarrant County, the other participating entity. This TIRZ #2 was established to revitalize the City's Historic Downtown area, which includes 317 developed acres. The TIRZ #2 does not issue separate financial statements, as the TIRZ #2 is included as a non-major fund of the City. The TIRZ #2 was established in December 2012 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #2, which will be owned and maintained by the City.

Mansfield Tax Increment Financing Reinvestment Zone Number Four (TIRZ #4) – The City and the City's management maintain significant influence and responsibility in the approval of programs, expenditures, and obligations of the TIRZ #4. The TIRZ #4 board of directors is a seven-member board consisting entirely of the City's Council. This TIRZ #4 was established to develop the area east of SH 360, which includes 359 acres. The TIRZ #4 does not issue separate financial statements, as the TIRZ #4 is included as a non-major fund of the City. The TIRZ #4 was established in December 2022 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #4, which will be owned and maintained by the City.

South Pointe Public Improvement District – The City established a public improvement district for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. An annual assessment will fund the public improvement district.

Starlin Ranch Public Improvement District - The City established a public improvement district for the purpose of maintaining public improvements on approximately 121.5 acres in the TIRZ number three area. An annual assessment will fund the public improvement district.

Discretely Presented Component Unit

Mansfield Economic Development Corporation (MEDC) – In 1997, the voters passed an additional 1/2 cent sales tax to fund an aggressive economic development program and provide financial incentives, infrastructure needs, and tax relief in the recruitment and retention of industry. Although the City Council appoints all board members, none of the board members are currently City Council members or City employees. In addition, City management maintains significant continuing management responsibility with respect to MEDC financial matters. Although the MEDC financial matters are ratified or denied by the City, the City is not legally entitled to the MEDC resources or is it legally obligated for the indebtedness of the MEDC. The MEDC provides financial incentives to business and industry as permitted by statute and does not provide services entirely or almost entirely to the City and does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The previous reporting model emphasized fund types (the total of all funds of a particular type); in the reporting model as defined by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for

State and Local Governments, the focus is either the City as a whole or major individual fund (within the fund financial statements).

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, interest income, etc.).

Separate fund-based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, street construction fund, Mansfield Parks Facility Development Corporation fund, and American Rescue Plan Act fund. The major enterprise fund is the water and sewer fund, and the nonmajor enterprise fund is the drainage utility fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds along with other qualitative factors. The non-major governmental funds are combined in a separate column in the fund financial statements. The non-major governmental funds are detailed in the combining section of the statements.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary fund (by category) and the discretely presented component unit. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers ad valorem tax, sales tax, hotel/motel tax, mixed drink tax, franchise tax, and investment earnings to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, pension and other postemployment benefit obligations, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and will be paid shortly after year-end (not to exceed one month).

Licenses and permits, charges for services, fines, contributions and donations, impact fees, and miscellaneous revenues are recorded as revenues when received in cash, as the amounts are typically not known until received. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, as soon as all eligibility requirements have been met, moneys must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if all eligibility requirements are met.

A portion of the City's revenues are derived from developer contributions. The effect of these transactions, recorded as revenue, in the City's water and sewer funds was significant. Developer's contributions of $9,582,026 are recorded as non-operating revenue in the water and sewer fund financial statements. These amounts represent revenues from non-exchange transactions during the fiscal year. For reporting non-exchange transactions for the governmental activities, in the government-wide financial statements on the accrual basis of accounting, the revenues are recorded as capital contributions program revenue, which totaled $17,752,534.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer Fund, and Drainage Utility Fund are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major governmental funds:

The General Fund is the operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The General Obligation Debt Service Fund (Debt Service) is used to account for the accumulation of resources for and the payment of, principal and interest on general long-term obligation debt. The primary source of revenue is ad valorem taxes, which are levied by the City.

The Street Construction Fund accounts for the financial resources to be used in the construction of roadways and bridges. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, impact fees, developer contributions, or other sources.

The Mansfield Parks Facility Development Corporation Fund is used to account for the half-cent sales tax, approved by the voters, for parks land acquisition.

The Building Construction Fund is used to account for the financial resources used in the construction of general governmental buildings and facilities.

The other governmental funds column is a summarization of all the non-major governmental fund types.

The government reports the following major enterprise fund:

The Water and Sewer Fund accounts for the operation of the City's water and sewer system. Activities of the Fund include administration, operation, and maintenance of the water and sewer system and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for general obligation, and revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Fund.

The government reports the following nonmajor enterprise fund:

The Drainage Utility Fund accounts for the operation of the City's drainage system. Activities of the Fund include administration, operation, and maintenance of the drainage system. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

Additionally, the government reports the following fund type:

The other postemployment benefit trust fund is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions. The City utilizes a trust to hold required contributions for other postemployment benefits. Plan trustee must act in accordance with the specific purpose and terms of the OPEB plan. The accompanying statement of fiduciary net position and statement of changes in fiduciary net position are presented as of and for the year ended June 30, 2023, the Plan's year-end in accordance with GASB Statement No. 74.

D. Assets, Liabilities, and Net Position

1. Deposits and Investments:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less from the end of the fiscal year.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the balance sheet or statement of net position as "Cash, Cash Equivalents, and Investments" under each fund's caption. Except for bond-related and other restricted transactions, the City conducted all its banking and investment transactions with one financial institution.

For fiscal year 2023, the City invested in investment pools as authorized by the City's investment policy. The City records interest revenue earned from investment activities in each respective fund and recognizes its investments on a fair value basis, which is based on quoted market prices.

2. Inventory:

Inventory consists primarily of supplies, valued at cost. Cost is determined using the weighted average method. Inventory is charged to the user departments and recorded as expenses/expenditures when consumed rather than when purchased. The non-spendable portion of the fund balance is provided equal to the amount of inventory, as the amount is not available for expenditure.

3. Prepaid Items:

Payments made to vendors for services that will benefit future periods are recorded as prepaid items. These payments are recognized under the consumption method.

4. Capital Assets:

Capital assets, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, while improvements and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Building and Improvements	50 years
Water and Sewer Lines	50 years
Vehicles, Machinery, and Equipment	4-10 years
Infrastructure	25 years
Leases	2-50 years
Subscription Based Information Technology Arrangements	2-7 years

5. Leases:

Leases are defined by the general government as the right to use an underlying asset. As lessee, the City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Lease assets are measured based on the net present value of the future lease payments at inception using multiple, publicly available data points from across the municipal bond market and the City's bond ratings to generate a consensus view of municipal bond yields and spreads on a quarterly basis, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculation but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflows of resources at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of the lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

6. Subscription-Based Information Technology Arrangement (SBITA):

Subscription-Based Information Technology Arrangement (SBITA) are defined by the general government as the right to use an underlying asset. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) at the beginning of a subscription unless the subscription is considered a short-term subscription or transfers ownership of the underlying asset. Subscription assets are measured based on the net present value of the future subscription payments at inception using multiple, publicly available data points from across the municipal bond market and the City's bond ratings to generate a consensus view of municipal bond yields and spreads on a quarterly basis, which approximate the incremental borrowing rate. Remeasurement of a subscription liability occurs when there is a change in the subscription term and/or other changes that are likely to have a significant impact on the subscription liability.

The City calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the subscription liability. Variable subscription payments based on the usage of the underlying assets are not included in the subscription liability calculation but are recognized as outflows of resources in the period in which the obligation was incurred.

7. Public-Private and Public-Public Partnerships(PPP) and Availability Payment Arrangements:

PPP is an arrangement in which the City (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (PPP asset), for a period of time in an exchange or exchange-like transaction.

As transferor, the City recognizes a PPP receivable. The PPP receivable is measured using the net present value of future PPP payments to be received for the PPP term and deferred inflows of resources at the beginning of the PPP term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the arrangement. This recognition does not apply to short-term arrangements, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of the PPP receivables occur when there are modifications, including but not limited to changes in the contract price, PPP term, and adding or removing an underlying asset to the PPP agreements. In the case of a partial or full PPP termination, the carrying value of the PPP receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

8. Deferred Outflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until the appropriate future period. The City has five items that qualify for this category. Deferred pension/OPEB contributions relate to contributions made by the City after the measurement date so they are deferred and recognized in the upcoming fiscal year. Deferred actuarial experience is the difference in the expected and actual pension and OPEB experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred investment losses is the difference in the projected and actual earnings on the pension/OPEB assets. This difference is deferred and amortized over a closed five year period. Deferred loss on refunding are the differences in carrying value of the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt or new debt, whichever is shorter.

9. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the respective retirement plan and additions to/deductions from the respective Fiduciary Net Position have been determined on the same basis as they are reported by the respective pension plan. 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. The net pension liability that pertains to the governmental activities will be liquidated mainly by the General Fund with the rest being liquidated by the MPFDC.

10. Other Postemployment Benefits (OPEB):

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Retiree Health Insurance OPEB Trust and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. The other post-employment benefit liabilities that pertain to the governmental activities will be liquidated mainly by the General Fund with the rest being liquidated by the MPFDC.

11. Deferred Inflows of Resources:

Deferred inflows of resources are used to report acquisitions of net position by the City that are applicable to future reporting periods. The City has six items that qualify for this category. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred changes in plan benefits are the differences arising from a change in OPEB plan benefits. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred actuarial experience is the difference in the expected and actual pension and OPEB experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred gain on refunding are the differences in carrying value of the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt or new debt, whichever is shorter. Deferred inflows from leases is calculated as the lease receivable plus any payments made at or prior to the commencement of the lease, it continues to be recognized as revenue over the life of the lease. Deferred inflows from PPP is calculated as the PPP receivable plus any payments made at or prior to the commencement of the PPP, it continues to be recognized as revenue over the life of the PPP. Unavailable revenue is only reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

12. Compensated Absences:

Vested or accumulated vacation leave is accrued in the government-wide and proprietary fund financial statements when incurred. No liability is recorded for non-vesting, accumulating rights to receive sick pay benefits. Vacation is earned in varying amounts up to a maximum of fifteen (15) days for employees with ten (10) or more years of service. Unused vacation leave is carried forward from one year to the next without limit with regards to years of service. As of September 30, 2023, the liability for accrued vacation was $13,643,354. The amount applicable to the Proprietary Funds of $1,207,571 and the MEDC of

$30,243 have been recorded in these funds, and the amount applicable to other funds of $12,405,540 has been recorded in the government-wide financial statements.

13. Property Tax:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent on February 1 of the following year. The City contracts with Tarrant County to bill and collect its property taxes. Property tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

14. Sales Tax:

The City levies a 2% local sales tax in addition to the statewide sales tax rate of 6.25%. Sales tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

15. Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Net pension liability is the liability of employer contributions to plan members for benefits provided through a defined benefit plan. Net OPEB/Total OPEB - Supplemental Death Benefits Fund (SDBF) liabilities are the liabilities of postemployment benefits provided to employees separately from a pension plan. Net OPEB liabilities are funded through an irrevocable trust while Total OPEB - SDBF liabilities are not.

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

As a home rule city, the City of Mansfield is not limited by the law in the amount of debt it may issue. The City is permitted by Article XI, Section 5 of the *State of Texas Constitution* to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

16. Restricted Assets:

Certain proceeds of Proprietary Fund Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

17. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Final settlement amounts could differ from those estimates.

18. Fund Balance Classification:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to classify the fund balances.

Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by formal action of the City Council and do not lapse at year-end. This formal action consists of a written ordinance voted and approved by a majority of the City Council. For assigned fund balance classification, the City Manager, or designee is authorized to assign amounts for a specific purpose as permitted by Section 9.12 of the City Charter. The City Manager has designated the Deputy City Manager to assign fund balance. The restricted fund balance classification includes amounts that have constraints that are externally imposed (creditors, grantors, etc.) or imposed by enabling legislation. The non-spendable classification includes amounts that are not in spendable form or required to be maintained intact. The unassigned fund balance classification represents fund balance that has not been classified to another category.

The City considers an amount spent when the expenditure is incurred when restricted or unrestricted fund balances are available. In addition, the City considers an amount spent when the expenditure is incurred for purposes for which an amount in the committed, assigned, or unassigned amounts could be used. The City considers expenditures to be made from the most restrictive resources/funds when more than one classification is available.

The City has a minimum General Fund balance policy requirement. This policy established by resolution of the Council requires the General Fund unassigned fund balance to be 25% of the ensuing fiscal year's General Fund operating budget. The detailed fund balance classifications are as follows:

	General	Debt Service	Street Construction	Mansfield Parks Facility Development Corporation	Building Construction	Other Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable:							
Assets acquired for sale	12,497,953						12,497,953
Restricted:							
Debt service reserve	-	7,433,259	-	-	-	-	7,433,259
Parks debt service reserve	-	-	-	-	-	518,197	518,197
Street construction/improvements	-	-	40,913,425	-	-	480,643	41,394,068
Municipal building improvements	-	-	-	-	34,381,912	-	34,381,912
Parks and recreation	-	-	-	7,550,536	-	-	7,550,536
Other capital projects	-	-	-	-	-	8,761,801	8,761,801
Equipment/other purposes	-	-	-	-	-	1,346,410	1,346,410
COPS Grant	-	-	-	-	-	140,978	140,978
Court security and technology	-	-	-	-	-	424,131	424,131
Court seizure fund	-	-	-	-	-	218,547	218,547
Grants	-	-	-	-	-	136,661	136,661
Tourism promotion	-	-	-	-	-	2,435,848	2,435,848
Commited:							
Tree mitigation	-	-	-	-	-	28,995	28,995
Parks and recreation	-	-	-	9,011,120	-	-	9,011,120
Library	-	-	-	-	-	128,441	128,441
Animal control	-	-	-	-	-	97,972	97,972
Unassigned:	20,103,621	-	-	-	-	(3,879,950)	16,223,671
Total fund balances	32,601,574	7,433,259	40,913,425	16,561,656	34,381,912	10,838,674	142,730,500

The deficit fund balances in South Pointe and Starlin PID are included in other governmental funds and will be satisfied with future South Pointe and Starlin PID fund revenues, respectively,or a subsidy from the General Fund. The deficit fund balance in TIRZ #2 and TIRZ #4 are also included in other governmental funds, will be satisfied with future property tax. The deficit fund balance in Parks Construction, included in other governmental funds, will be a subsidy from the Mansfield Parks Facility Development Corporation.

19. Net Position:

Net position is classified and displayed in three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – Consists of capital assets including restricted capital assets, leased assets, and subscription assets net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of net investment in capital assets.

Restricted – Consists of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the City's policy to apply those expenses to restricted assets, to the extent such are available, and then to unrestricted assets.

Unrestricted – All other assets that constitute the components of net position that do not meet the definition of "restricted" or "investment in capital assets."

20. Adoption of New Accounting Standards:

GASB Statement No. 91 ("GASB 91"), *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The adoption of GASB 91 had no impact on the City.

GASB Statement No. 94 ("GASB 94"), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The adoption of GASB 94 resulted in a decrease of $424,554 in beginning net position/fund balance.

GASB Statement No. 96 ("GASB 96"), *Subscription-Based Information Technology Arrangements*. This statement establishes accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for or government end users (governments). This Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The adoption of GASB 96 had no effect on beginning net position/fund balance.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $(308,768,539) difference are as follows:

Bonds payable	(219,890,000)
Premium on issuance of bonds	(13,605,130)
Discounts on issuance of bonds	528,849
Accrued interest payable	(1,773,269)
Compensated absences	(12,405,540)
Lease liability	(232,246)
Subscription liability	(2,789,217)
Net pension liability	(39,193,207)
Net OPEB liability	(18,361,603)
Total OPEB liability – SDBF	(1,047,176)
Net adjustment to reduce fund balance – total governmental funds to arrive at net position– governmental activities	$(308,768,539)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay, developers contributions, and proceeds from financing related to leases and subscriptions exceeded disposals and depreciation in the current period." The details of this $31,828,118 difference are as follows:

Capital outlay	$ 32,349,018
Developers' contributions	17,352,534
Effect of capital assets disposed/retired	(116,770)
Lease financing activities	357,679
Subscription financing activites	5,014,266
Depreciation and lease and subscription amortization expense	(23,128,609)
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ 31,828,118

Another element of that reconciliation states that "revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this $(1,236,622) difference are as follows:

Changes in property taxes earned but not available	$(415,398)
Changes in sales taxes earned but not available	48,540
Changes in mixed drink taxes earned but not available	4,072
Changes in ambulance fees earned but not available	526,124
Changes in court fines earned but not available	(20,023)
Changes in grant funds earned but not available	(13,404)
Changes in service concession arrangement	(1,366,533)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (1,236,622)

Another element of that reconciliation states that "some expenses and revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. Current year pension and OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures, and changes in fund balances and as actuarially determined in the government-wide statement of activities" The details of this $2,761,700 difference are as follows:

Changes in deferred pension/OPEB contributions	$ 930,981
Changes in deferred investment gains/losses	21,942,622
Changes in deferred assumption changes	(324,520)
Changes in deferred actuarial experience	2,260,026
Changes in pension/OPEB plans	7,082,439
Changes in net pension liability	(28,740,082)
Changes in net OPEB liability	(891,925)
Changes in total OPEB liability - SDBF	502,159
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 2,761,700

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $(54,698,814) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	$(67,490,000)
Premium on issuance of bonds	(4,655,275)
Change in accrued interest payable	(868,589)
Amortization of premiums/discounts	1,029,228
Change in compensated absences	(3,788,990)
Change in lease financing	(232,246)
Change in SBITAs financing	(2,795,780)
Principal payments or payments to escrow agent	24,465,000
Change in deferred loss on refunding	(238,261)
Change in deferred gain on refunding	(123,901)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (54,698,814)

III. Detailed Notes on All Funds

A. Deposits and Investments

State statutes require that all deposits in financial institutions be fully collateralized by U.S. government obligations or obligations of Texas and its agencies that have a fair value of not less that the principal amount of the deposits. As of September 30, 2023, the carrying amount of the City's on demand deposits (including MEDC) was $93,294,636 and the bank balance was $94,065,398. Funds were fully collateralized throughout the entire year. As of September 30, 2023, the primary government had cash and cash equivalents and investments of $191,597,387 including the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM):

Primary Government - Governmental Activities and Business-type Activities	Net Asset Value	WAM (Years)
Investment Type – TexSTAR Investment Pool	13,141,226	4.60
Investment Type - Money Market Mutual Funds	26,221,618	4.59
Investment Type - LOGIC Investment Pool	46,395,634	4.82
Investment Type - Texas CLASS Investment Pool	17,205,590	4.86
Total Net Asset Value and Weighted Average Maturity	$ 102,964,068	4.72

As of September 30, 2023, the Mansfield Economic Development Corporation had cash and cash equivalents of $16,313,556 including the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM)

Component Unit – Mansfield Economic Development Corporation	Net Asset Value	WAM (Years)
Investment Type – TexSTAR Investment Pool	1,131,144	4.60
Investment Type - Texas CLASS Investment Pool	6,131,529	4.86
Investment Type - LOGIC Investment Pool	4,230,102	4.82
Investment Type - Money Market Mutual Funds	159,464	4.59
Total Net Asset Value and Weighted Average Maturity	$ 11,652,239	4.72

Money market accounts are marketable securities in active markets that have observable inputs and prices.

Interest Rate Risk –

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk –

The City is authorized to invest in U.S. government obligations and its agencies or instrumentalities, obligations of Texas and its agencies, fully insured or collateralized certificates of deposit, fully collateralized direct repurchase agreements, government pools and money market funds consisting of any of these securities listed, and obligations of states, cities, and other political subdivisions with a rating of "A" or its equivalent. As of September 30, 2023, the City's investment in the money market mutual funds was rated "AAA" by Standard and Poor's and "Aaa" by Moody's Investment Service.

Custodial Credit Risk Deposits –

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy, which requires a collateralization level of 105% of fair value less an amount insured by the FDIC. Of the primary government and the component unit's categorizable bank deposits, none were uninsured and uncollateralized as of September 30, 2023

Custodial Credit Risk Investments –

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has an investment policy, which requires a collateralization level of 105% of fair value of principal and accrued interest on investments other than direct purchases of U.S. Treasuries or Agencies. The policy requires all investments held by outside parties for safekeeping in the name of the City or on behalf of the City.

Concentration of Credit Risk Investments –

The City's investment policy does not place a limit on the amount the City may invest in a single issuer because the City's investment policy limits the City's authorized investments. These authorized investments include any security backed by the federal government, the State of Texas, or political subdivision with an investment grade rating of "A" or better. The City's investment policy authorizes mutual funds, "AAA" rated only registered with the Securities and Exchange Commission available alternatives to previously listed authorized securities. At September 30, 2023, the City's investments are held in Bank of America Merrill Lynch Money Market Mutual Funds; Texas CLASS; LOGIC; and TexSTAR Participant Services. These investments are 25.47%, 16.71%, 45.06% and 12.76%, respectively, of the City's total investments. These money market mutual funds are invested in U.S. Treasury obligations, which are backed by the full faith and credit of the U.S. government.

External Investment Pool –

TexSTAR's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the fund or who do not have a business relationship with the fund and are qualified to advise. The investment objective and strategies of the pool is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The pool offers same day access to investment funds.

JPMorgan Investment Management (JPMIM) and Hilltop Securities, Inc. (HSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMIM serves as an investment advisor to TexSTAR, while HSAM provides administrative participant support and marketing services. TexSTAR is not registered with the Securities and Exchange Commission (SEC) as an investment company but is an investment pool that has been organized in conformity with Chapters 791, Interlocal Cooperation Act, and 2256, Public Funds Investment Act, of the Texas Government Code.

LOGIC is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and JPMIM, and managed by JPMIM, who provides custody and investment management. LOGIC's investment objectives are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of $1.00 per share. LOGIC may invest in securities including: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; other obligations which are unconditionally guaranteed or insured by the U.S.; fully collateralized repurchase agreements with a defined termination date and unconditionally guaranteed or insured by the U.S. or its agencies and instrumentalities; SEC-registered money-market fund rated in the highest rating category by at least one nationally recognized statistical rating organization (NRSRO); and commerical paper as authorized under the Public Funds Investment Act (PFIA). the investment pool has a redemtpion notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pools' liquidity.

The Cooperative Liquid Assets Securities System - Texas ("CLASS") is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Chapter 2256, Texas Government Code. CLASS is created under an Amended and Restated Trust Agreement, dated as of May 1, 2001 (the "Agreement") among certain Texas governmental entities investing in the pool (the "Participants"), Municipal Investors Services Corporation ("MBIA-MISC") as program administrator, and Wells Fargo as custodian. CLASS is not SEC-registered and is not subject to regulation by the State of TExas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with MBIA-MISC to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained by contacting MBIA Asset Management at 815-A Brazos Street, Suite 345, Austin, Texas 78701-9996 or by calling (800) 707-6242. CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorites may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or a national or state emergency that affects the pool's liquidity.

Investments with TexSTAR, LOGIC, and Texas CLASS are carried at net asset value.

Interest Rate Risk –

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the investment portfolio as follows:

Investment Type	Not to Exceed
Obligations of the United States	100%
Obligations of the State of Texas	100%
Certificates of Deposit	100%
Investment Pools	100%
Mutual Funds	100%

As a means of limiting its exposure to fair value losses arising from rising interest rates, the following guidelines reflect the Retiree Health Insurance OPEB Trust's asset allocation goals:

Portfolio Segment	Range of Portfolio Assets
Equity	40-60%
Fixed income	40-60%
Cash	0-20%

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application,* investments are recorded at fair value. In accordance with Statement No. 72, the Retiree Health Insurance OPEB Trust categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Mutual funds are categorized as Level 1.

The Retiree Health Insurance OPEB Trust fund cash and investments (mutual funds are reported at fair value) are summarized below:

Cash and Cash Equivalents	
Cash	$ 1,078,722
Investments	
Mutual funds	23,054,339
Total cash and cash equivalents and investments	$ 24,133,061

The City, including the proprietary funds and the component unit, do not have any debt security investments, other than in the Retiree Health Insurance OPEB Trust, which are exposed to interest rate risk.

Foreign Currency Risk –

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City does not have any investments in foreign obligations.

B. Receivables

Receivables at September 30, 2023 consisted of the following:

	Governmental Funds				
	General	Debt Service	MPFDC	Non-major	Total
Receivables:					
Property Taxes	$ 601,879	$ 318,070	$ -	$ -	$ 919,949
Accounts	12,160,072	-	1,969,458	819,892	14,949,422
Gross Receivables	12,761,951	318,070	1,969,458	819,892	15,869,371
Less: Allowance for Uncollectible	(6,840,629)	(250,409)	-	-	(7,091,038)
Net Total Receivables	$ 5,921,322	$ 67,661	$ 1,969,458	$ 819,892	$ 8,778,333

	Proprietary Funds		
	Water & Sewer	Drainage Utility	Total
Receivables:			
Accounts	$ 7,260,155	$ 376,357	$ 7,636,512
Other	85,193	-	85,193
Gross Receivables	7,345,348	376,357	7,721,705
Less: Allowance for Uncollectible	(1,650,306)	(103,530)	(1,753,836)
Net Total Receivables	$ 5,695,042	$ 272,827	$ 5,967,869

The MEDC has a receivable in the amount of $1,664,703 as of September 30, 2023.

C. Capital Assets

Capital assets activity for the year ended September 30, 2023 is as follows:

Governmental activities:	Oct 1, 2022 as restated	Increases	Decreases/Reclass	Sept 30, 2023
Capital assets, not being depreciated:				
Land	$ 108,336,387	$ 2,150,809	$ -	$ 110,487,196
Construction in progress	20,591,664	26,684,897	(6,952,590)	40,323,971
Total capital assets, not being depreciated	128,928,051	28,835,706	(6,952,590)	150,811,167
Capital assets, being depreciated:				
Buildings	122,435,446	2,722,631	-	125,158,077
Other improvements	36,505,951	809,250	-	37,315,201
Machinery and equipment	37,420,817	3,908,944	(846,806)	40,482,955
Infrastructure	504,000,771	20,274,011	-	524,274,782
Leased assets	156,426	304,853	-	461,279
Subscription assets	3,272,378	1,741,888	-	5,014,266
Total capital assets, being depreciated	703,791,789	29,761,577	(846,806)	732,706,560
Less accumulated depreciation/amortization for:				
Buildings	(25,060,830)	(1,915,896)	-	(26,976,726)
Other improvements	(24,834,949)	(2,222,764)	-	(27,057,713)
Machinery and equipment	(22,917,553)	(2,187,354)	730,036	(24,374,871)
Infrastructure	(246,062,423)	(15,716,992)	-	(261,779,415)
Leased assets	(62,339)	(153,744)	-	(216,083)
Subscription assets	-	(869,520)	-	(869,520)
Total accumulated depreciation/amortization	(318,938,094)	(23,066,270)	730,036	(341,274,328)
Total capital assets being depreciated, net	384,853,695	6,695,307	(116,770)	391,432,232
Governmental activities capital assets, net	$ 513,781,746	$ 35,531,013	$ (7,069,360)	$ 542,243,399

Business-type activities:	Oct 1, 2022	Increases	Decreases	Sept 30, 2023
Capital assets, not being depreciated:				
Land	$ 2,466,262	$ 7,309,738	$ -	$ 9,776,000
Construction in progress	8,386,461	14,915,189	(9,955,610)	13,346,040
Total capital assets, not being depreciated	10,852,723	22,224,927	(9,955,610)	23,122,040
Capital assets, being depreciated:				
Buildings and systems	217,985,750	9,939,615	-	227,925,365
Improvements other than buildings	206,259	261,432	-	467,691
Machinery and equipment	5,207,680	1,348,397	(93,814)	6,462,263
Infrastructure	90,139,680	9,582,023	-	99,721,703
Leased assets	-	43,927	-	43,927
Subscription assets	-	304,451	-	304,451
Total capital assets, being depreciated	313,539,369	21,479,845	(93,814)	334,925,400
Less accumulated depreciation/amortization for:				
Buildings and systems	(55,633,813)	(4,197,467)	-	(59,831,280)
Improvements other than buildings	(48,253)	(11,859)	-	(60,112)
Machinery and equipment	(3,702,478)	(289,123)	93,814	(3,897,787)
Infrastructure	(23,840,230)	(1,797,370)	-	(25,637,600)
Leased assets	-	(10,497)	-	(10,497)
Subscription assets	-	(26,386)	-	(26,386)
Total accumulated depreciation/amortization	(83,224,774)	(6,332,702)	93,814	(89,463,662)
Total capital assets being depreciated, net	230,314,595	15,147,143	-	245,461,738
Business-type activities capital assets, net	$ 241,167,318	$ 37,372,070	$ (9,955,610)	$ 268,583,778

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

Governmental Activities:	
General Goverment	$ 2,187,557
Public Safety	2,105,497
Public Works	15,843,475
Culture and Recreation	2,929,741
Total Depreciation/Amortization Expense - Governmental Activities	$ 23,066,270
Business-Type Activities:	
Water and Sewer	$ 6,106,906
Drainage Utility Fund	225,796
Total Depreciation/Amortization Expense - Business-Type Activities	$ 6,332,702

Construction Commitments

The general government had outstanding commitments at September 30, 2023, under authorized construction contracts of approximately $24,381,131. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources. These outstanding commitments relate to the major funds.

The MPFDC had no outstanding commitments at September 30, 2023.

The Water and Sewer Fund had outstanding commitments at September 30, 2023, under authorized construction contracts of approximately $16,526,264. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

The Drainage Fund had outstanding commitments at September 30, 2023, under authorized construction contracts of approximately $3,180,700. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

Discretely Presented Component Unit

Activity for the MEDC for the year ended September 30, 2023 was as follows:

Mansfield Economic Development Corporation:	Oct 1, 2022	Increases	Decreases	Sept 30, 2023
Capital assets, not being depreciated:				
Land	$ 13,096,835	$ -	$ (250,000)	$ 12,846,835
Construction in progress	10,345,471	295,910	-	10,641,381
Total capital assets, not being depreciated	23,442,306	295,910	(250,000)	23,488,216
Capital assets, being depreciated:				
Buildings	605,288	-	-	605,288
Other Improvements	6,115,855	-	-	6,115,855
Machinery and equipment	72,312	-	-	72,312
Leased assets	-	6,284	-	6,284
Total capital assets, being depreciated	6,793,455	6,284	-	6,799,739
Less accumulated depreciation/amortization for:				
Buildings	(13,996)	(12,106)	-	(26,102)
Other improvements	(204,735)	(122,024)	-	(326,759)
Machinery and equipment	(72,312)	-	-	(72,312)
Leased assets	-	(2,095)	-	(2,095)
Total accumulated depreciation/amortization	(291,043)	(136,225)	-	(427,268)
Total capital assets being depreciated, net	6,502,412	(129,941)	-	6,372,471
MEDC capital assets, net	$ 29,944,718	$ 165,969	$ (250,000)	$ 29,860,687

The MEDC had no outstanding commitments at September 30, 2023.

D. Due to/Due from

The composition of the due to/due from balances as of September 30, 2023 is as follows:

Fund	Due to	Due from
General fund	$ 4,190,763	$ -
Other governmental	24,582	4,215,345
TOTAL	$ 4,215,345	$ 4,215,345

E. Interfund Transfers

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

Fund		Transfers In	Transfers Out
General Fund		$ 3,710,269	$ 2,980,797
Mansfield Parks Facility Deveopment Corporation		318,552	156,020
Other governmental		2,662,245	356,000
Water and Sewer Fund		-	3,150,816
Drainage		-	47,433
	TOTAL	$ 6,691,066	$ 6,691,066

The General Fund received transfers from the Water and Sewer and Drainage Funds for a payment-in-lieu of taxes, in the amount of $3,150,816 and 47,433 respectively, for services provided as part of the City's ordinary government.

Interfund activity from the General Fund and the non-major funds is for the purpose of purchase, construction, and improvements of capital assets for government-wide purposes. These transfers are budgeted annually. The unexpended funds within the non-major funds generally are reappropriated upon the adoption of the next fiscal year's budget. These interfund transfers within the Governmental Fund Types are eliminated upon the reporting of government-wide financial statements.

F. Long-Term Debt

Governmental Activities -

General Obligation Bonds, Loans, and Certificates of Obligation

The general obligation bonds, loans, and certificates of obligation are serial and term debt collateralized by the full faith and credit of the City and are payable from property taxes. The debt matures annually in varying amounts through 2043, and interest is payable semiannually. Proceeds of general obligation bonds are recorded in the Capital Projects Funds and are restricted to the use for which they were approved in the bond elections. Certificates of obligation bonds and loan proceeds are recorded in the appropriate fund for which the debt was issued and approved by the City. The City Charter expressly prohibits the use of bond proceeds to fund operating expenditures.

In 2023, the City issued $49,200,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2022A. The bonds of $49,200,000 plus premiums of $3,331,937 and less issuance costs of $531,937 will be used for design, development, and construction of public infrastructure and facilities.

In 2023, the City issued $13,365,000 in General Obligation Refunding and Improvement Bonds, Series 2022 for the purpose of refunding the Certificates of Obligation Series 2013, General Obligation Refunding Series 2013, Combination Tax & Revenue Certificates of Obligation Series 2014, and Combination Tax & Revenue Certificates of Obligation Series 2014A. The refunding resulted in a net present value of cash savings of $258,061.

For the refunded debt, the reacquisition price exceeded the net carrying amount of the old debt by $135,885 and resulted in an economic gain of $328,557. This deferred amount on refunding is being amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was the same as the life of the new debt. The deferred amount on refunding was $125,591 as of September 30, 2023.

The City issued $4,925,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2023. The bonds of $4,925,000 plus premiums of $188,695 and less issuance costs of $113,695 will be used for construction of public infrastructure.

The total amount of deferred loss on refunding for the governmental bonds was $1,561,538 at September 30, 2023.

The total amount of deferred gain on refunding for the governmental bonds was $132,911 at September 30, 2023.

General obligation debt outstanding at September 30, 2023 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012 GO Refunding	2.00% to 3.13%	2025	$ 5,855,000	$ 1,520,000
2013 CO	2.00% to 4.00%	2033	5,335,000	1,090,000
2014 CO	2.50% to 4.38%	2034	16,500,000	4,380,000
2014A CO	2.00% to 4.13%	2034	1,255,000	125,000
2015 CO	2.00% to 5.00%	2035	15,870,000	10,770,000
2015 GO Refunding	4.00% to 5.00%	2027	11,700,000	3,465,000
2016 GO Refunding	1.35% to 3.71%	2028	3,770,000	2,120,000
2016 CO	2.00% to 5.00%	2036	13,705,000	10,225,000
2016 GO Refunding	2.00% to 5.00%	2036	14,885,000	8,560,000
2016A CO	1.25% to 3.90%	2041	2,960,000	2,410,000
2017 CO	3.00% to 5.00%	2037	18,975,000	14,880,000
2018 CO	3.00% to 4.00%	2038	15,960,000	12,905,000
2019 CO	3.00% to 4.00%	2039	13,750,000	11,780,000
2020 CO	2.00% to 4.00%	2040	24,245,000	21,605,000
2020 GO Refunding	2.00% to 4.00%	2031	4,475,000	1,420,000
2021 CO	1.50% to 4.00%	2041	9,100,000	8,385,000
2022 CO	4.00% to 5.00%	2042	9,360,000	9,045,000
2022 GO Refunding	4.13% to 5.00%	2043	13,365,000	13,365,000
2022A CO	4.50% to 5.00%	2043	49,200,000	49,200,000
2023 CO	4.00% to 5.00%	2043	4,925,000	4,925,000
TOTAL				$ 192,175,000

Annual debt service requirements to maturity for general obligation debt, including interest of $72,422,973, are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 10,530,000	$ 10,035,034	$ 20,565,034
2025	12,245,000	7,393,242	19,638,242
2026	11,635,000	6,863,888	18,498,888
2027	11,635,000	6,356,517	17,991,517
2028	11,570,000	5,859,728	17,429,728
2029-2033	54,565,000	22,127,505	76,692,505
2034-2038	50,030,000	10,898,510	60,928,510
2039-2043	29,965,000	2,888,549	32,853,549
TOTAL	$ 192,175,000	$ 72,422,973	$ 264,597,973

Special Sales Tax Revenue Bonds

The Special Sales Tax Revenue Bonds are special limited obligations of the MPFDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually. The proceeds of these bonds are to be used for their legal purposes as prescribed in the statutes of the State of Texas.

As of September 30, 2023 there was $-0- of defeased debt outstanding related to the Sales Tax Revenue Bonds. Special Sales Tax Revenue and Revenue Refunding Bonds outstanding at September 30, 2023 are as follows:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 3.25%	2024	$ 4,995,000	$ 345,000
2016	2.00% to 4.00%	2035	6,775,000	3,575,000
2016	1.05% to 4.83%	2040	14,930,000	11,775,000
2016A	1.50% to 2.95%	2041	8,295,000	6,780,000
2018	3.00% to 4.00%	2043	2,325,000	1,910,000
2018	2.54% to 4.35%	2043	3,785,000	3,330,000
TOTAL				$ 27,715,000

Debt service requirements to maturity for Special Sales Tax Revenue Bonds, including interest of $11,072,680, are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 2,030,000	$ 1,134,077	$ 3,164,077
2025	1,735,000	1,065,917	2,800,917
2026	1,810,000	1,005,849	2,815,849
2027	1,550,000	941,449	2,491,449
2028	1,480,000	884,445	2,364,445
2029-2033	6,955,000	3,614,109	10,569,109
2034-2038	7,850,000	2,024,955	9,874,955
2039-2043	4,305,000	401,879	4,706,879
TOTAL	$ 27,715,000	$ 11,072,680	$ 38,787,680

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2023 was as follows:

	Balance Beginning of Year (restated)	Increase	Decrease	Balance End of Year	Due Within One Year
General Obligation Bonds	$ 147,185,000	$ 67,490,000	$ (22,500,000)	$ 192,175,000	$ 10,530,000
Sales Tax Revenue Bonds	29,680,000	-	(1,965,000)	27,715,000	2,030,000
Deferred Amounts:					
Premiums	10,035,863	4,655,275	(1,086,008)	13,605,130	
Discounts	(585,629)	-	56,780	(528,849)	
Total bonds payable	186,315,234	72,145,275	(25,494,228)	232,966,281	12,560,000
Compensated absences	8,616,550	7,467,857	(3,678,867)	12,405,540	3,678,868
Lease payable	87,524	304,853	(160,131)	232,246	108,420
Subscription payable	2,248,033	1,464,048	(922,864)	2,789,217	771,836
Total other payable	10,952,107	9,236,758	(4,761,862)	15,427,003	4,559,124
Total Noncurrent Liabilities	$ 197,267,341	$ 81,382,033	$ (30,256,090)	$ 248,393,284	$ 17,119,124
Net Pension Liability	$ 10,453,125	$ 28,740,082	$ -	$ 39,193,207	
Net OPEB Liability	17,469,678	891,925	-	18,361,603	
Total OPEB Liability - SDBF	1,549,335	-	(502,159)	1,047,176	
Total pension & OPEB liabilities	$ 29,472,138	$ 29,632,007	$ (502,159)	$ 58,601,986	

For the governmental activities, compensated absences are generally liquidated by the general fund or the respective special sales tax fund.

Business-Type Activities -

Water and Sewer Fund

The water and sewer fund revenue bonds are payable from the gross revenues of the water and sewer system. Gross revenues are to be used first-to-pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2035, and interest is payable semiannually.

Waterworks and Sewer System Refunding and Revenue Bonds

The total amount of deferred loss on refunding for the water and sewer revenue bonds was $1,849,545 at September 30, 2023.

Water and sewer fund debt outstanding at September 30, 2023 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2015	2.00% to 5.00%	2027	$ 9,540,000	$ 1,675,000
2016	2.00% to 5.00%	2035	24,510,000	14,525,000
2021	2.00% to 3.00%	2030	7,425,000	4,685,000
TOTAL				$ 20,885,000

Debt service requirements to maturity for water and sewer fund debt, including interest of $3,761,400, are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 2,965,000	$ 876,100	$ 3,841,100
2025	2,855,000	752,250	3,607,250
2026	2,975,000	632,250	3,607,250
2027	3,100,000	506,700	3,606,700
2028	2,840,000	375,500	3,215,500
2029-2033	5,260,000	564,800	5,824,800
2034-2038	890,000	53,800	943,800
TOTAL	$ 20,885,000	$ 3,761,400	$ 24,646,400

Drainage Utility Fund

The Drainage Utility Fund revenue bonds are payable from the gross revenues of the drainage utility system. Gross revenues are to be used first to pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2027, and interest is payable semiannually.

The total amount of deferred loss on refunding for the Drainage Utility bonds was $23,827 at September 30, 2023.

Drainage Utility Fund debt outstanding at September 30, 2023 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2007	4.00% to 4.30%	2027	$ 2,200,000	$ 590,000
2012	2.00% to 3.13%	2024	3,740,000	350,000
TOTAL				$ 940,000

Debt service requirements to maturity for Drainage Utility debt, including interest of $75,368, are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 490,000	$ 36,238	$ 526,238
2025	145,000	19,350	164,350
2026	150,000	13,115	163,115
2027	155,000	6,665	161,665
TOTAL	$ 940,000	$ 75,368	$ 1,015,368

Changes in business-type activity long-term liabilities

A summary of business-type activity for the year ended September 30, 2023, is as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Due Within One Year
Water/Sewer Revenue Bonds	$ 23,955,000	$ -	$ (3,070,000)	$ 20,885,000	$ 2,965,000
Drainage Utility Revenue Bonds	1,415,000	-	(475,000)	940,000	490,000
Deferred Amounts:					
Premiums	3,477,836	-	(373,364)	3,104,472	
Discounts	(139,800)	-	32,083	(107,717)	
Total bonds payable	28,708,036	-	(3,886,281)	24,821,755	3,455,000
Compensated absences	959,795	700,114	(452,338)	1,207,571	452,337
Lease payable	-	43,927	(10,011)	33,916	11,966
Subscription payable	-	304,451	(64,542)	239,909	55,208
Total other payable	$ 959,795	$ 1,048,492	$ (526,891)	$ 1,481,396	$ 519,511
Total Noncurrent Liabilities	$ 29,667,831	$ 1,048,492	$ (4,413,172)	$ 26,303,151	$ 3,974,511
Net Pension Liability	$ 1,363,385	$ 3,920,131	$ -	$ 5,283,516	
Net OPEB Liability	2,339,387	2,677,822	(2,339,387)	2,677,822	
Total OPEB Liability - SDBF	202,018	134,799	(202,018)	134,799	
Total pension & OPEB liabilities	$ 3,904,790	$ 6,732,752	$ (2,541,405)	$ 8,096,137	

For financial reporting purposes, the unamortized premiums and discounts have been netted against total bonds outstanding.

The Business-Type Activity long-term debt will be repaid, plus interest, from the operating revenues derived primarily from water sales, sewer service charges, and drainage service charges or operating transfers from the general fund.

Discretely Presented Component Unit

Mansfield Economic Development Corporation

The Sales Tax Revenue Refunding Bonds are special limited obligations of the MEDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually.

The total amount of deferred loss on refunding for the MEDC bonds was $9,260 at September 30, 2023.

MEDC debt outstanding at September 30, 2023 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 4.00%	2032	$ 3,090,000	$ 1,610,000
2015A	0.50% to 3.55%	2024	5,630,000	625,000
2015	2.00% to 4.00%	2024	2,880,000	325,000
2016	2.00% to 4.00%	2036	14,125,000	10,210,000
2018	2.52% to 4.29%	2038	6,200,000	5,110,000
TOTAL				$ 17,880,000

Debt service requirements to maturity for MEDC debt, including interest of $4,955,277, are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 1,980,000	$ 680,028	$ 2,660,028
2025	1,070,000	606,730	1,676,730
2026	1,110,000	566,541	1,676,541
2027	1,150,000	524,375	1,674,375
2028	1,200,000	480,246	1,680,246
2029-2033	6,510,000	1,652,863	8,162,863
2034-2038	4,860,000	444,494	5,304,494
TOTAL	$ 17,880,000	$ 4,955,277	$ 22,835,277

Changes in MEDC Long-Term Liabilities

A summary of MEDC long-term liabilities activity for the year ended September 30, 2023, is as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Due Within One Year
MEDC Revenue Bonds	$ 19,785,000	$ -	$ (1,905,000)	$ 17,880,000	$ 1,980,000
Deferred Amounts:					
Premiums	897,449	-	(66,653)	830,796	
Discounts	(125,291)	-	13,394	(111,897)	
Total bonds payable	20,557,158	-	(1,958,259)	18,598,899	1,980,000
Compensated absences	30,420	8,012	(8,189)	30,243	8,189
Lease payable	-	6,284	(2,039)	$ 4,245	2,088
Total other payable	30,420	14,296	(10,228)	34,488	10,277
Total Noncurrent Liabilities	$ 20,587,578	$ 14,296	$ (1,968,487)	$ 18,633,387	$ 1,990,277
Net Pension Liability	$ 139,091	$ 390,736	-	$ 529,827	
Net OPEB Liability	117,567	11,561	-	129,128	
Total OPEB Liability - SDBF	20,733	-	(6,619)	14,114	
Total pension & OPEB liabilities	$ 277,391	$ 402,297	$ (6,619)	$ 673,069	

G. Restricted Assets

The restricted assets of the Business-type Activities as of September 30, 2023 included the following legal use restrictions.

Enterprise Fund	Revenue Bond Sinking and Reserve Fund	Bond Construction Fund	Total
Water and Sewer Fund	$ 3,933,200	$ 3,697,401	$ 7,630,601
Drainage Utility	77,985	-	77,985
TOTAL	$ 4,011,185	$ 3,697,401	$ 7,708,586

The ordinance authorizing the issuance of Water and Sewer System revenue bonds requires that the City establish a sinking fund (Revenue Bond Sinking and Reserve Fund) in an amount not less than the average annual requirement for the payment of principal and interest on all the revenue bonds. At September 30, 2023, the sinking fund balance is sufficient to satisfy such bond ordinance requirements. The bond ordinance also contains provisions, which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and the pledged revenues are equal to or greater than 1.25 times the average annual debt service requirements after giving effect to the proposed additional bonds and any proposed rate increases. In addition, the bond ordinance requires that the annual gross revenues of the Water and Sewer System, less annual operation and maintenance expenses (excluding depreciation and amortization expense), be at least 1.10 times the annual principal and interest requirements of all the outstanding revenue bonds.

The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements to the Water and Sewer System. The unspent proceeds are maintained as restricted assets until such time as needed to fund the Water and Sewer System construction program.

The ordinance authorizing the issuance of the Certificates of Obligation requires that the City establish an interest and sinking fund to provide for principal and interest requirements as they become due.

H. Leases, Subscription-Based Information Technology Arrangements (SBITA), and Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)

1. Leases - City as Lessee

The City has obtained land, vehicles and equipment through long-term leases. The terms and conditions for these leases varies. Some leases are fixed, periodic payments over the lease term, which ranges between 1-5 years. For additional information refer to the disclosures below.

Governmental Activities: Right-to-use lease assets	Oct 1, 2022	Additions	Reductions	Sep 30, 2023
Land	$ 51,823	$ -	$ -	$ 51,823
Vehicles	95,207	-	-	95,207
Equipment	9,396	304,853	-	314,249
Total Leases	$ 156,426	$ 304,853	-	$ 461,279
Less accumulated amortization for:				
Land	$ (20,059)	$ (20,060)	$ -	$ (40,119)
Vehicles	(38,598)	(38,597)	-	(77,195)
Equipment	(3,682)	(95,087)	-	(98,769)
Total accumulated amortization	(62,339)	(153,744)	-	(216,083)
Governmental leases, net	$ 94,087	$ 151,109	$ -	$ 245,196

Business-Type Activities: Right-to-use lease assets	Oct 1, 2022	Additions	Reductions	Sep 30, 2023
Equipment	-	$ 43,927	-	$ 43,927
Total Leases	-	43,927	-	43,927
Less accumulated amortization for:				
Equipment	-	$ (10,497)	-	$ (10,497)
Total accumulated amortization	-	(10,497)	-	(10,497)
Business-Type leases, net	$ -	$ 33,430	$ -	$ 33,430

Component Unit Activities: Right-to-use lease assets	Oct 1, 2022	Additions	Reductions	Sep 30, 2023
Equipment	-	$ 6,284	-	$ 6,284
Total Leases	-	6,284	-	6,284
Less accumulated amortization for:				
Equipment	-	$ (2,095)	-	$ (2,095)
Total accumulated amortization	-	(2,095)	-	(2,095)
Component Unit leases, net	$ -	$ 4,189	$ -	$ 4,189

Principal and Interest Requirements to Maturity:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 108,419	$ 5,528	$ 113,947
2025	92,801	2,730	95,531
2026	31,026	824	31,850
Total	$ 232,246	$ 9,082	$ 241,328

	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 11,966	$ 787	$ 12,753
2025	12,325	428	12,753
2026	3,783	190	3,973
2027	3,872	101	3,973
2028	1,970	17	1,987
Total	$ 33,916	$ 1,523	$ 35,439

	Component Unit Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 2,088	$ 107	$ 2,195
2025	2,157	38	2,195
Total	$ 4,245	$ 145	$ 4,390

2. Leases - City as Lessor

The Mansfield Parks Facilities Development Corporation leases land and buildings and the Water and Sewer Fund leases infrastructure. The terms and conditions for these leases varies. Some leases are fixed, periodic payments over the lease term, which ranges between 1-30 years. For additional information refer to the disclosures below.

Governmental Activities		Oct 1, 2022 as restated	Additions	Reductions	Sep 30, 2023
Lease Receivable					
Land		$ 174,398	$ -	$ (44,795)	$ 129,603
Infrastructure		-	163,904	6,749	170,653
	Total	$ 174,398	$ 163,904	$ (38,046)	$ 300,256

Business-Type Activities:					
Lease Receivable					
Infrastructure		$ 102,034	$ -	$ (58,039)	$ 43,995
	Total	$ 102,034	$ -	$ (58,039)	$ 43,995

Governmental Activities					
Deferred Inflow of Resources					
Land		$ 172,084	$ -	$ (44,892)	$ 127,192
Infrastructure		-	163,904	(5,327)	158,577
	Total	$ 172,084	$ 163,904	$ (50,219)	$ 285,769

Business-Type Activities:					
Deferred Inflow of Resources					
Infrastructure		$ 116,147	$ -	$ (60,254)	$ 55,893
	Total	$ 116,147	$ -	$ (60,254)	$ 55,893

Principal and Interest Requirements to Maturity:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 48,761	$ 6,712	$ 55,473
2025	47,565	7,908	55,473
2026	40,396	7,332	47,728
2027	1,940	7,060	9,000
2028	2,024	6,976	9,000
2029-2033	11,508	33,492	45,000
2034-2038	19,121	30,379	49,500
2039-2043	29,017	25,433	54,450
2044-2048	41,781	18,114	59,895
2049-2053	58,143	7,741	65,884
Total	$ 300,256	$ 151,147	$ 451,403

	Business-Type Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 21,897	$ 403	$ 22,300
2025	22,098	202	22,300
Total	$ 43,995	$ 605	$ 44,600

3. Public-Private and Public-Public Partnerships and Availability Payment Arrangements:

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The implementation of this statement resulted in a $(424,554) decrease in beginning net position, representing the cumulative effect of the change in accounting principle for the governmental activities. This change was the result of public-private partnerships that qualified as leases in fiscal year 2022 under GASB Statement No. 87 but as public-private partnerships under GASB Statement No. 94 as implemented in fiscal year 2023. The City made public-private partnership arrangements to transfer the right to operate or use city owned land and buildings. The City retains ownership of the underlying PPP assets. The terms and conditions of these agreements varies, some are fixed, periodic payments over the arrangement term, which ranges between 17-30 years. Some PPP agreements have additional variable payments based on a percentage of their gross revenue, the percentage varies from 5% to 15%. For the year 2023, the City collected $484,365 for these variable payments not previously recorded as a receivable. For additional information, refer to the disclosures below.

Governmental Activities		Discount rates	Oct 1, 2022 as restated	Additions	Reductions	Sep 30, 2023
PPP Receivable						
Land		4.116% - 4.297%	$ 18,054,259	$ -	$ (393,466)	$ 17,660,793
Buildings		4.030%	1,257,839	-	(1,257,839)	-
	Total		$ 19,312,098	$ -	$ (1,651,305)	$ 17,660,793

Governmental Activities		Discount rates	Oct 1, 2022 as restated	Additions	Reductions	Sep 30, 2023
Deferred Inflow of Resources						
Land		4.116% - 4.297%	$ 19,307,592	$ -	$ (812,252)	$ 18,495,340
Buildings		4.030%	1,257,839	-	(1,257,839)	-
	Total		$ 20,565,431	$ -	$ (2,070,091)	$ 18,495,340

Principal and Interest Requirements to Maturity:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 329,268	$ 742,315	$ 1,071,583
2025	353,129	728,754	1,081,883
2026	480,390	711,193	1,191,583
2027	500,798	690,785	1,191,583
2028	522,074	669,509	1,191,583
2029-2033	3,031,987	2,988,928	6,020,915
2034-2038	3,744,679	2,288,655	6,033,334
2039-2043	4,709,412	1,361,421	6,070,833
2044-2048	3,640,911	479,089	4,120,000
2049-2053	348,145	16,438	364,583
Total	$ 17,660,793	$ 10,677,087	$ 28,337,880

4. Subscription-Based Information Technology Arrangements (SBITA):

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The primary objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements. This statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability, and provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The City has obtained software through long-term subscription arrangements, the list of software is composed of financial, HR, cloud workspace, water meter/billing, CAD/Mapping, police assistance, and library software.

The terms and conditions for these arrangements varies, some are fixed, periodic payments over the arrangement term, which ranges between 1-5 years. For additional information, refer to the disclosures below.

Governmental Activities Right-to-use subscription assets		Oct 1, 2022 as restated		Additions		Reductions		Sep 30, 2023
Software	$	3,272,378	$	1,741,888	$	-	$	5,014,266
less accumulated amortization		-		(869,520)		-		(869,520)
Total	$	3,272,378	$	872,368	$	-	$	4,144,746

Business-Type Activities Right-to-use subscription assets		Oct 1, 2022		Additions		Reductions		Sep 30, 2023
Software	$	-	$	304,451	$	-	$	304,451
less accumulated amortization		-		(26,386)		-		(26,386)
Total	$	-	$	278,065	$	-	$	278,065

Principal and Interest Requirements to Maturity:

	Governmental Activities					
Fiscal Year		Principal Payments		Interest Payments		Total Payments
2024	$	771,836	$	78,493	$	850,329
2025		764,729		55,810		820,539
2026		782,542		33,376		815,918
2027		470,110		10,426		480,536
Total	$	2,789,217	$	178,105	$	2,967,322

	Business-Type Activities					
Fiscal Year		Principal Payments		Interest Payments		Total Payments
2024	$	55,208	$	5,542	$	60,750
2025		58,203		4,267		62,470
2026		61,537		2,922		64,459
2027		64,961		1,501		66,462
Total	$	239,909	$	14,232	$	254,140

I. Retirement Plan

Plan Description:

The City, including the Mansfield Economic Development Corporation (MEDC), a discretely presented component unit, participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at www.tmrs.com.

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

Benefits Provided:

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

At retirement, the member's benefit is calculated based on the sum of the member's contributions with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

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

	Plan Year 2021
Employee deposit rate	7.0%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100% repeating, transfers
Annuity Increase (to retirees)	70% of CPI Repeating

Employees covered by benefit terms:

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	284
Inactive employees entitled to but not yet receiving benefits	224
Active employees	499
Total	1,007

Contributions:

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City matching ratios are either 1:1 (1 to 1), 1.5:1 (1.5 to 1), or 2:1 (2 to 1) 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 City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 16.06% and 16.05% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS as of September 30, 2023 were $8,074,011 and were equal to the required contributions.

Net Pension Liability:

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

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

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were 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, 2019 actuarial valuation. The post-retirement mortality assumption of 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 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 real rates of return for each major asset class in fiscal year 2022 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 and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in the 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 members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Position Liability (a) - (b)
Balances, beginning of year	$ 219,315,855	$ 207,360,254	$ 11,955,601
Changes for the year:			
Service Cost	8,207,004	-	8,207,004
Interest	14,798,609	-	14,798,609
Change in benefit terms	-	-	-
Difference between expected and actual experience	5,003,181	-	5,003,181
Changes of assumptions	-	-	-
Contributions - employer	-	7,003,075	(7,003,075)
Contributions - employee	-	3,086,999	(3,086,999)
Net investment income	-	(15,157,547)	15,157,547
Benefit payments, including refunds of employee contributions	(8,361,400)	(8,361,400)	-
Administrative expense	-	(130,983)	130,983
Other changes	-	156,301	(156,301)
Net changes	$ 19,647,394	$(13,403,555)	$ 33,050,949
Balances, end of year	$ 238,963,249	$ 193,956,699	$ 45,006,550

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

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

1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
$ 81,844,525	$ 45,006,550	$ 15,049,458

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmrs.com.

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

For the year ended September 30, 2023, the City recognized expense of $11,831,594.

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

Schedule of Outflows and Inflows - Current and Future Expense

	Recognition period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2023 Recognition in current pension expense	Deferred (Inflow)/ Outflow in future expense
2016 difference in experience (inflows)/outflows	1.0000	$ 228,871	$ 228,871	$ -
2017 difference in experience (inflows)/outflows	1.7300	$ 221,894	$ 128,262	$ 93,632
2018 difference in experience (inflows)/outflows	2.4200	$ 834,683	$ 344,911	$ 489,772
2019 difference in experience (inflows)/outflows	3.0500	$ 126,045	$ 41,327	$ 84,718
2020 difference in experience (inflows)/outflows	4.2900	$ (331,005)	$ (77,158)	$ (253,847)
2021 difference in experience (inflows)/outflows	4.8500	$ 3,951,008	$ 814,642	$ 3,136,366
2022 difference in experience (inflows)/outflows	5.7000	$ 5,003,181	$ 877,752	$ 4,125,429
			$ 2,358,607	$ 7,676,070
2019 difference in assumptions - (inflows)/outflows	3.0500	$ 39,658	$ 13,003	$ 26,655
			$ 13,003	$ 26,655
2018 excess investment returns - (inflows)/outflows	1.0000	$ 2,814,030	$ 2,814,030	$ -
2019 deficit investment returns - (inflows)/outflows	2.0000	$ (4,998,643)	$ (2,499,322)	$ (2,499,321)
2020 deficit investment returns - (inflows)/outflows	3.0000	$ (855,374)	$ (285,124)	$ (570,250)
2021 deficit investment returns - (inflows)/outflows	4.0000	$ (9,187,808)	$ (2,296,953)	$ (6,890,855)
2021 deficit investment returns - (inflows)/outflows	5.0000	$ 29,154,364	$ 5,830,873	$ 23,323,491
			$ 3,563,504	$ 13,363,065
				$ 21,065,790

$6,065,013 (including $71,399 for MEDC) reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2024	$ 2,857,584
2025	5,063,221
2026	5,151,873
2027	7,378,691
2028	614,421
Total	$ 21,065,790

J. Supplemental Death Benefits

TMRS administers an optional death benefit plan, the Supplemental Death Benefits Fund (SDBF), which operates like a group-term life insurance plan. This is a voluntary program in which participating member cities may elect, by ordiance, to provide supplemental death benefits for their active members with optional coverage for their retirees. The City elected by ordinance to provide group-term life insurance coverage to both current and retired employees of both the City and the Mansfield Economic Development Corporation (MEDC), a discretely presented component unit. The City 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 death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated in a trust meeting the criteria in paragraph 4 of GASB Statement No. 75). TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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	223
Inactive employees entitled to but not yet receiving benefits	58
Active employees	499
Total	780

Contributions:

The contribution rates for employees in SDBF is .06% of employee gross earnings, and the City contribution rates were .14% for 2022 and .24% for 2023, 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 EAN actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance 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.

Total OPEB Liability - SDBF:

The City's total OPEB Liability - SDBF was measured and determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions:

The total OPEB Liability - SDBF 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% per year, including inflation
Discount rate*	4.05%, based on the Fidelity Index's "20-Year Municipal GO
Retirees' share of benefit-related costs	$ 0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Table with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*Because the SDBF is considered an unfunded trust under GASB 75, the relevant discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the total OPEB liability - SDBF:

Balance, beginning of year	$ 1,772,086
Changes for the year:	
Service Cost	92,610
Interest	33,215
Differences between expected and actual experience	(9,464)
Changes in assumptions or other inputs	(665,898)
Benefit payments**	(26,460)
Net changes	(575,997)
Balance, end of year	$ 1,196,089

**Due to the SDBF being considered an unfunded SDBF plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the total OPEB liability - SDBF to changes in the discount rate:

The following presents the total OPEB liability - SDBF of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability - SDBF 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	$ 1,448,955	$ 1,196,089	$ 1,001,418

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (SDBF):

For the year ended September 30, 2023, the City recognized expense of $91,519.

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

Due to Liabilities:	Recognition Period (or Amortiation yrs)	Total Remaining (Inflow) or Outflow of Resources	2023 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
2022 Change in assumptions	7.2900	$ (665,898)	$ (91,345)	$ (574,553)
2021 Change in assumptions	6.4500	$ 51,946	$ 8,054	$ 43,892
2020 Change in assumptions	5.8900	$ 178,485	$ 30,303	$ 148,182
2019 Change in assumptions	4.7300	$ 131,161	$ 27,730	$ 103,431
2018 Change in assumptions	4.0400	(40,876)	$ (10,118)	$ (30,758)
2017 Change in assumptions	3.0400	33,681	$ 11,079	$ 22,602
2022 Difference in expected and actual experience	7.2900	$ (9,464)	$ (1,299)	$ (8,165)
2021 Difference in expected and actual experience	6.4500	$ (14,757)	$ (2,289)	$ (12,468)
2020 Difference in expected and actual experience	5.8900	$ 11,098	$ 1,884	$ 9,214
2019 Difference in expected and actual experience	4.7300	$ (124,797)	$ (26,384)	$ (98,413)
2018 Difference in expected and actual experience	(4.0400)	73,038	$ 18,079	$ 54,959
			$ (34,306)	$ (342,077)

$86,746 was reported as deferred outflows of resources related to OPEB (SDBF) resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability - SDBF for the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB (SDBF) will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2024	$ (34,306)
2025	(34,306)
2026	(44,941)
2027	(53,394)
2028	(58,231)
Thereafter	(116,899)
Total	$ (342,077)

K. Other Post-Employment Benefits - OPEB

Plan Description

City employees retiring on TMRS will be provided the opportunity to receive health insurance benefits from the City from the City's existing health care plan. The City established by ordinance a single-employer defined benefit postemployment healthcare plan that covers retired employees of the City. The City established an irrevocable trust and contracted with an administrator as well as a custodial bank to manage the plan's assets or the retiree's medical benefits.

The plan does not issue a stand-alone financial report. For inquiries relating to the plan, please contact: The City of Mansfield, Business Services Division, 1200 East Broad Street, Mansfield, Texas 76063.

Measurement Focus and Basis of Accounting

The City of Mansfield, Texas Retiree Health Insurance Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the determination of the employer.

Benefits

City employees will be provided the opportunity to elect employer-subsidized health programs until the age of 65. Employees and their dependents who retire before the age of 65 with ten years of service and less than 20 years of service are eligible to receive full health insurance coverage until the employee turns 65 at the same cost of an active employee. Employees and their dependents who retire with 20 years of service are eligible to receive full health insurance coverage until they turn 65; while their dependents are eligible for full health insurance coverage they must pay the same cost as an active employee for full insurance coverage of their dependents. The City amended this plan in fiscal year 2021 resulting in a decrease in the net OPEB liability at year end and resulting in a deferred inflow of resources - plan benefit changes. The change requires all retirees and their spouses on the health insurance plan, upon turning 65, must obtain medical coverage through Medicare. The City provides a monthly allowance to offset the cost of Medicare for retirees and their spouses over the age of 65.

Employees

At the time of the actuarial valuation, the City had 479 active plan members and 177 retired plan members receiving benefits. Of the retired members, 114 were under the age of 65 and, of those, 63 had more than 20 years of service.

Contributions

Participants included in the actuarial valuation include retirees and survivors, and active employees who may be eligible to participate in the Plan upon retirement. Eligible retired employees participating in the City's Retiree Health Insurance Plan pay their premiums directly to the City. Expenditures for post-retirement healthcare and other benefits are recognized monthly and funded into the irrevocable trust. The City funds 100% of the actuarially determined contribution (ADC), which approximates the annual OPEB cost, and totaled $1,000,000 for the fiscal year ended September 30, 2023.

Net OPEB Liability

The City's net OPEB liability (NOL) was measured as of June 30, 2023 and the total OPEB liability (TOL) used to calculate the NOL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The NOL in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion with the average contributions increased by 2% in each future year, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	PRI-2012 Total Dataset Mortality Table with Improvement Scale MP-2021
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	It is assumed that employer-subsidized premiums will be reduced by two-thirds after age 65 due to Medicare eligibility.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits
Changes in assumptions	The mortality table improvement scale has been changed from MP-2020 to MP-2021.
Salary rate	3% per annum

Retirement Rate

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50
55-57	7.50
58-59	10.00
60	25.00
61-64	10.00
65	100.00

Withdrawal Rate

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

The plan's policy in regard to the allocation of invested assets is established by the City Council. The target asset allocation policy is 50% equity investments, 45% fixed income investments, and 5% cash. The long-term expected rate of return on plan investments used in the valuation was determined using a building-block method in which the City's best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the City's expected future real rate of return by the target asset allocation percentage and by adding expected inflation. The City's best estimates of geometric real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	50%	3.6%
Fixed Income	45%	0.9%
Cash	5%	0.0%
Inflation	N/A	2.5%
Total	100%	7.0%

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Positon (b)	Net OPEB Liability (a) - (b)
Balance, beginning of year	$ 41,638,317	$ 21,711,685	$ 19,926,632
Changes for the year:			
Service Cost	415,131	-	415,131
Interest	2,869,583	-	2,869,583
Difference between expected and actual experience	3,803,463	-	3,803,463
Contributions - employer	-	4,407,679	(4,407,679)
Benefit payments	(3,407,679)	(3,407,679)	-
Net investment income	-	1,535,083	(1,535,083)
Administrative expense	-	(96,506)	96,506
Net changes	3,680,498	2,438,577	1,241,921
Balance, end of year	$ 45,318,815	$ 24,150,262	$ 21,168,553

Sensitivity of the Total Pension Liability to Changes in the Discount and Trend Rates

The following presents the net OPEB liability of the City, calculated using the discount rate of 7%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1 % Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Net OPEB Liability	$ 28,339,810	$ 21,168,553	$ 15,407,451

The following presents the net OPEB liability of the City, calculated using the trend rates of 7%, as well as what the City's net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rates:

	1 % Decrease in Trend Rate	Trend Rate	1% Increase in Trend Rate
Net OPEB Liability	$ 15,375,911	$ 21,168,553	$ 28,288,106

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2023, the City recognized income of $2,246,610.

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

Schedule of Outflows and Inflows - Current and Future Expense

Due to Liabilities:	Recognition Period (or Amortization yrs)	Total Remaining (Inflow) or Outflow of Resources	2023 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
2019-2021 Net difference in projected and actual earnings on OPEB plan investments	3.0000	(1,482,802)	(499,251)	(983,551)
2020 Change in assumptions	0.9400	(283,152)	(283,152)	-
2021 Change in plan benefits	1.6500	(13,238,278)	(8,023,199)	(5,215,079)
		$ (15,004,232)	$ (8,805,602)	$ (6,198,630)

Due to Assets:				
2019 Difference between expected and actuarial experience	0.2000	417,165	417,165	-
2020 Difference between expected and actuarial experience	0.9400	1,332,163	1,332,163	-
2021 Difference between expected and actuarial experience	1.6500	368,987	223,629	145,358
2022 Difference between expected and actuarial experience	2.4100	1,567,500	650,415	917,085
2023 Difference between expected and actuarial experience	3.2500	3,803,463	1,170,296	2,633,167
2020-2023 Net difference in projected and actual earnings on OPEB plan investments	5.0000	3,858,190	1,010,746	2,847,444
		$ 11,347,468	$ 4,804,414	$ 6,543,054
Total				$ 344,424

$1,000,000 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the year ended September 30,	Net deferred outflows (inflows) of resources
2024	$ (2,730,042)
2025	1,854,386
2026	1,201,769
2027	18,311
Total	$ 344,424

The City recognized combined OPEB expense for the City's two OPEB plans of $(2,155,091)

Immediately following the notes, the schedule of funding progress is presented for the Texas Municipal Retirement System plan along with Retiree Health Insurance Other Postemployment Benefits plan.

L. Deferred Compensation Plans

The City offers all of its employees a defined contribution, deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). There are three plan options administered by Empower Retirement, Nationwide Retirement Solutions, and ICMA Retirement Trust. All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries; therefore, it is not reported in the financial statements of the City.

The plans, available to all full-time City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Benefit provisions are contained in the plan document and were established and can be amended by the action of City Council. The City does not contribute to any of the plans.

M. Commitments and Contingencies

Various claims and lawsuits are pending against the City. In the opinion of the City’s management, the potential loss on all claims, if any, will not be material to the City’s financial statements.

Audits of Grant Activities

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state grantor agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be material to the City’s financial statements.

N. Contracts with Other Governmental Entities and Other Contracts

Water Supply

Raw water is supplied to the City through a contract between the City and the Tarrant Regional Water District (TRWD). The basic contract, which was renegotiated and approved by the TRWD and the City Council on September 10, 1979, provides for a contract period to run for the life of the bonds, which were issued by the TRWD to provide water to the City and thereafter for the life of the TRWD facilities serving the City. Water is provided to the City from the TRWD Cedar Creek Lake and Richland-Tehuacanna Reservoir. Under the contract, the City has a take-or-pay gallon requirement based on the greater of 1.3 million gallons or the average daily consumption for the previous five-year period. The rate to be charged to the City for raw water is based upon the TRWD cost of debt service, operation and maintenance expenses, and any other miscellaneous expenses in connection with its water supply facilities. These costs will be allocated on a proportionate share based upon actual water consumption of the City in relation to the actual use by the City of Fort Worth and the Trinity River Authority (TRA) after crediting the amount received by the TRWD from water sales to the City of Arlington and other customers. The current rate charged for raw water has been calculated to be $1.29191 per 1,000 gallons, with a total cost of $7,838,232 during fiscal year 2023. It is estimated that the raw water supply available to the City under the contract is adequate for the ultimate development of the City.

In addition, the City has a contract with the City of Arlington to purchase treated water up to 1.0 M.G.D. on a demand basis. The City has the option to renegotiate the Arlington water purchase contract on an as-needed basis.

Sewer Treatment

On August 23, 1974, the City Council approved a contract with the TRA to become a contracting party in the TRA's Central Regional Wastewater System, along with 19 other area cities and the Dallas/Fort Worth International Airport.

The contracting parties have agreed to pay the TRA its net cost of operation and maintenance, including debt service requirements, on the Central System. Payments made by the respective cities are pursuant to authority granted by Article 1109i, Vernon's Annotated Texas Civil Statutes, as amended, and Chapter 30, Texas Water Code, as amended, and constitute operating expenses of their waterworks and sewer systems.

The expense of operating TRA's Central System, including administrative overhead and amounts necessary to pay debt service, is paid monthly by the contracting parties based on a formula of dividing each contracting party's estimated contributing flow to the Central System for such year by the total estimated contributing flow by all contracting parties being served at the beginning of each such year, with a year-end adjustment based on actual metered contributing flow to the Central System by all contracting parties. For fiscal year 2023, the City's cost for sewer treatment under the contract was $9,245,370.

Mansfield Economic Development Corporation Commitments

The Mansfield Economic Development Corporation was established to promote, encourage and incentivize economic development within the City. Since its inception, the Corporation has promoted industrial and commercial development through incentive agreements that are designed to encourage existing business expansion and new business growth within the City. Since inception, the Corporation has assisted companies in making the City their home by providing economic assistance. In return, those companies have made cumulative capital investments and created jobs within the City.

In continuance of the City's economic development program, the Corporation has made additional commitments to incentivize industry over the next several years. These commitments are generally contingent upon the industry's capital investments and creation of new jobs or other criteria determined by the Corporation. The arrangements vary in amounts and allow for reimbursements for capital costs or expansion costs incurred by the industries. These commitments require stringent performance commitments by the respective industries to qualify for the incentives. The Corporation has made commitments to be administered over the next several years in the amount of $17.2 million, subject to certain conditions being met. To date, $9.4 million has been paid. These commitments and amounts may change from year to year depending upon the performance of the industries, and their ability to meet the performance standards as established by the Corporation. In the event, the Corporation deems the industries performance insufficient, the Corporation can restructure, extend, void or recover the commitments.

O. Tax Abatements

The City of Mansfield entered into 380 agreements with local businesses under the State of Texas Local Government Code 380. Under the Local Government Code, municipalities may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and stimulate business and commercial activity in the municipality. The abatements may be granted to any business located within or promising to relocate to the City of Mansfield, Texas.

For the fiscal year ended September 30, 2023, the City of Mansfield, Texas abated property and sales taxes totaling $1,693,710 under this program, including the following tax abatement agreements:

A 100% property tax abatement to a tool manufacturer for building a manufacturing center in the industrial district. The abatement amounted to $930,490.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $72,697.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $50,606.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $13,027.

A 50% property tax abatement to a developer for constructing a multi-family facility within the City of Mansfield, Texas. The abatement amounted to $22,440.

A 50% property tax abatement to a developer for a residential development within the City of Mansfield, Texas. The abatement amounted to $514,277.

A 35% property tax abatement to a developer for a residential development within the City of Mansfield, Texas. The abatement amounted to $90,173.

P. Conduit Debt Obligations

In prior years, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

There are no series of Industrial Revenue Bonds outstanding as of the fiscal year-end.

Q. 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's general liability and workers' compensation program is managed through the purchase of a policy through a municipal pool that is separately administered. The City's health insurance is administered through an outside provider. The City makes specified contributions for employees and their dependents under this plan. Additionally, the City also offers dental, life insurance, and accidental death and dismemberment plans through an independent provider in which the City makes specified contributions for employees only under these plans. There have been no significant reductions in insurance coverage for any of these programs since last year, and settlements have not exceeded insurance coverage for any of the past three years.

During FY 2023, the City was self-insured for Employee Benefits. Group medical benefits were administered by a third-party insurance provider. The City offers two plans with payroll deductions set aside to cover the monthly claims in addition to a health savings account (HSA). The liabilities for insurance claims reported are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. The estimated claims incurred but not reported as of September 30, 2023 totaled $1,474,000, which are recorded as a liability in the General Fund accounts payable. Changes in the liability for the past three years:

Claim Year	Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability End of Year
2021	1,063,508	18,570,940	18,402,884	1,231,564
2022	1,231,564	17,021,857	17,169,421	1,084,000
2022	1,084,000	16,844,414	16,454,414	1,474,000

R. Subsequent Events

Bond Issuance

On December 11, 2023, the City issued $58,575,000 Combination Tax and Revenue Certificates of Obligation, Series 2024. The purpose of the Combination Tax and Revenue Certificates of Obligations, Series 2024 are for the design, development, and construction of public infrastructure and facilites.

On December 11, 2023, the City issued $44,955,000 Waterworks and Sewer System Revenue Bonds, Series 2024. The purpose of the Waterworks and Sewer Revenue Bonds, Series 2024 are for construction of public infrastructure.

On December 11, 2023, the City issued $11,290,000 General Obligation Refunding Bonds, Series 2024. The debt was issued to refund the Certificates of Obligation Series 2015 and the General Obligation Refunding Bonds, Series 2015. The refunding resulted in an economic gain (difference between the present value of the debt service payment of the old debt and new debt) of aprox $1,096,734.

Big League Dreams

On September 12, 2023 the City issued a Notice of Termination Letter to Big League Dreams Mansfield, LLC. On that same day, the Mansfield City Council voted to terminate the agreement effective October 12, 2023. The City subsequently extended the termination date through November 30, 2023 to accomodate previously made commitments to tournaments and leagues. At this time, the City is evaluating the best use for the property.

S. New Accounting Pronouncements to be implemented after fiscal year 2023

In April 2022, the GASB issued Statement No. 99, *Ominibus 2022*. This Statement establishes that the (1) requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of fuure revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance; (2) requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter; (3) requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City implemented requirement (2) related to leases, PPPs and SBITAs in fiscal year 2023.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences, aligning the recognition and measurement guidance undr a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The City is in the process of evaluating the impact of these statements on its financial statements.

MANSFIELD
TEXAS

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2023

Texas Municipal Retirement System

City of Mansfield, Texas Required Supplementary Information -Schedule of Changes in Net Pension Liability and Related Ratios

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total Pension Liability									
Service Cost	$ 5,030,515	$ 5,544,166	$ 6,096,131	$ 6,423,859	$ 6,781,902	$ 6,740,954	$ 7,964,424	$ 7,528,793	$ 8,207,004
Interest (on the Total Pension Liability)	7,925,143	8,685,074	9,139,426	10,061,815	10,919,655	11,894,334	12,756,277	13,577,606	14,798,609
Difference between expected and actual experience	72,552	162,133	1,967,131	863,204	2,214,327	250,026	(485,321)	4,765,650	5,003,181
Changes of assumptions	-	(670,018)	-	-	-	78,667	-	-	-
Benefit payments, including refunds of employee contributions	(2,396,267)	(2,461,495)	(2,880,319)	(4,522,769)	(5,115,537)	(5,795,914)	(7,816,442)	(7,883,029)	(8,361,400)
Net Change in Total Pension Liability	10,631,943	11,259,860	14,322,369	12,826,109	14,800,347	13,168,067	12,418,938	17,989,020	19,647,394
Total Pension Liability - Beginning	111,899,202	122,531,145	133,791,005	148,113,374	160,939,483	175,739,830	188,907,897	201,326,835	219,315,855
Total Pension Liability - Ending (a)	$ 122,531,145	$ 133,791,005	$ 148,113,374	$ 160,939,483	$ 175,739,830	$ 188,907,897	$ 201,326,835	$ 219,315,855	$ 238,963,249
Plan Fiduciary Net Position									
Contributions - Employer	4,469,146	4,630,258	4,818,294	5,249,682	5,679,463	5,636,312	6,668,580	6,531,736	7,003,075
Contributions - Employee	2,108,088	2,236,839	2,385,294	2,513,528	2,661,060	2,639,076	3,033,241	2,848,732	3,086,998
Net Investment Income (Loss)	5,606,309	158,951	7,585,611	17,197,200	(4,327,905)	22,158,465	12,741,845	23,782,546	(15,157,547)
Benefit payments, including refunds of employee contributions	(2,396,267)	(2,461,495)	(2,880,319)	(4,522,769)	(5,115,537)	(5,795,914)	(7,816,442)	(7,883,029)	(8,361,400)
Administrative Expense	(58,519)	(96,800)	(85,612)	(89,055)	(83,556)	(125,039)	(82,344)	(109,895)	(130,983)
Other	(4,811)	(4,781)	(4,613)	(4,513)	(4,365)	(3,756)	(3,213)	753	156,302
Net Change in Plan Fiduciary Net Position	9,723,946	4,462,972	11,818,655	20,344,073	(1,190,840)	24,509,144	14,541,667	25,170,843	(13,403,555)
Plan Fiduciary Net Position - Beginning	97,979,794	107,703,740	112,166,712	123,985,367	144,329,440	143,138,600	167,647,744	182,189,411	207,360,254
Plan Fiduciary Net Position - Ending (b)	107,703,740	112,166,712	123,985,367	144,329,440	143,138,600	167,647,744	182,189,411	207,360,254	193,956,699
Net Pension Liability - Ending (a-b)	$ 14,827,405	$ 21,624,293	$ 24,128,007	$ 16,610,043	$ 32,601,230	$ 21,260,153	$ 19,137,424	$ 11,955,601	$ 45,006,550
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.90%	83.84%	83.71%	89.68%	81.45%	88.75%	90.49%	94.55%	81.17%
Covered Payroll	$ 30,115,541	$ 31,954,849	$ 34,075,932	$ 35,907,541	$ 38,015,147	$ 37,701,084	$ 43,332,012	$ 40,696,177	$ 44,099,968
Net Position Liability as a Percentage of Covered Payroll	49.24%	67.67%	70.81%	46.26%	85.76%	56.39%	44.16%	29.38%	102.06%

Note: GASB 68 requires 10 years of data to be provided in this schedule. As of September 30, 2023, only 9 years are included and additional years will be added as the information becomes available.

City of Mansfield, Texas
Required Supplementary Information - Unaudited

Schedule of Contributions
Last 10 Years (will ultimately be displayed)

	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Actuarially Determined Contributions	$ 8,074,011	$ 7,087,887	$ 6,495,583	$ 6,393,535	$ 5,672,743	$ 5,648,240	$ 5,155,157	$ 5,048,183	$ 4,595,653
Contributions in relation to the actuarially determined contribution	8,074,011	7,087,887	6,495,583	6,393,535	5,672,743	5,648,240	5,155,157	5,048,183	4,595,653
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered Payroll	$ 48,143,372	$ 44,116,485	$ 40,588,706	$ 41,396,691	$ 37,574,173	$ 37,541,117	$ 35,161,865	$ 35,121,057	$ 30,976,471
Contributions as a Percentage of Covered Payroll	16.77%	16.07%	16.00%	15.44%	15.10%	15.05%	14.66%	14.37%	14.84%

Note: GASB 68 requires 10 years of data to be provided in this schedule. As of September 30, 2023, only 9 years are included and additional years will be added as the information becomes available.

Notes to Schedule of Contributions

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions used to determine Contribution Rates:

Actuarial Cost Method Entry:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	23 years
Asset Valuation Method:	10 Year smoothed fair value; 12% soft corridor
Inflation:	2.5%
Salary Increases:	3.50% 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:	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes: There were no benefit changes during the year.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2023

Texas Municipal Retirement System - Supplemental Death Benefits

City of Mansfield, Texas
Required Supplementary Information - Unaudited

Schedule of Changes in Total OPEB Liability and Related Ratios - SDBF

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total OPEB Liability - SDBF						
Changes for the year:						
Service Cost	$ 46,680	$ 57,023	$ 49,011	$ 77,998	$ 81,392	$ 92,610
Interest	33,578	34,935	44,513	36,029	33,306	33,215
Difference between expected and actual experience	-	145,354	(203,949)	14,866	(17,046)	(9,464)
Changes in assumptions or other inputs	89,076	(81,348)	214,351	239,091	60,000	(665,898)
Benefit payments*	(7,182)	(7,603)	(7,540)	(8,666)	(20,348)	(26,460)
Net changes	162,152	148,361	96,386	359,318	137,304	(575,997)
Total OPEB Liability - SDBF - Beginning	868,565	1,030,717	1,179,078	1,275,464	1,634,782	1,772,086
Total OPEB Liability - SDBF - Ending	$ 1,030,717	$ 1,179,078	$ 1,275,464	$ 1,634,782	$ 1,772,086	$ 1,196,089
Covered-employee payroll	35,907,541	38,015,147	37,701,084	43,332,012	40,696,177	44,099,969
Total OPEB Liability - SDBF as a Percentage of Covered Payroll	2.87%	3.10%	3.38%	3.77%	4.35%	2.71%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of Septerber 30, 2023, only 6 years are included and additional years will be added as the information becomes available.

Scedule of Contributions - SDBF
Last 10 Years (will ultimately be displayed)

	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023
Actuarially Determined Contribution	$ 57,222	$ 56,361	$ 65,265	$ 59,191	$ 61,763	$ 103,545
Contributions in relation to the actuarially determined contribution	57,222	56,361	65,265	59,191	61,763	103,545
Contribution deficiency (excess)	-	-	-	-	-	-
Covered Payroll	$ 37,541,117	$ 37,574,173	$ 41,396,691	$ 40,588,706	$ 44,116,485	$ 48,143,372
Contributions as a Percentage of Covered Employee Payroll	0.15%	0.15%	0.16%	0.15%	0.14%	0.22%

Note: GASB 75 requires 10 years of data to be provided in this schedule, As of September 30, 2023, only 6 years are included and additional years will be added as the information becomes available.

Notes to Schedule of Contributions

Valuation Date:

Notes:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Summary of Actuarial Assumptions:

Inflation:	2.5%
Salary Increases:	3.50% to 11.5% including inflation
Discount Rate:	4.05%*
Retirees' Share of Benefit-Related Costs:	$0
Administrative Expenses:	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality Rates – Service Retirees:	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on fully generational basis with scale UMP.
Mortality Rates – Disabled Retirees:	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements subject to the floor.

Other Information:

Notes	No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Note: The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Discount Rate - SDBF

Last 10 Years (will ultimately be displayed)

	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Discount Rate	3.31%	3.71%	2.75%	2.00%	1.84%	4.05%

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2023

Retiree Health Insurance Plan - Trust

City of Mansfield, Texas
Required Supplementary Information - Unaudited
Schedule of Changes in the City's Net OPEB Liability
Last 10 Fiscal Years (will ultimately be displayed)

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Total OPEB Liability						
Service Cost	$ 532,526	$ 568,220	$ 607,995	$ 587,134	$ 210,638	$ 415,131
Interest (on the total OPEB liability)	3,214,381	3,333,223	4,048,664	4,485,797	2,665,007	2,869,583
Difference between expected and actual experience	(1,436,903)	8,760,461	5,583,748	816,245	2,217,915	3,803,463
Changes in assumptions	-	-	(1,186,827)	-	-	-
Plan benefit changes	-	-	-	(29,284,676)	-	-
Benefit payments	(353,235)	(2,441,311)	(2,628,940)	(2,588,413)	(2,888,666)	(3,407,679)
Net Change	1,956,769	10,220,593	6,424,640	(25,983,913)	2,204,894	3,680,498
Total OPEB liability - beginning	46,815,334	48,772,103	58,992,696	65,417,336	39,433,423	41,638,317
Total OPEB liability - ending (a)	48,772,103	58,992,696	65,417,336	39,433,423	41,638,317	45,318,815
Net Postion						
City contributions	1,848,035	7,261,311	2,628,940	4,998,413	3,638,666	4,407,679
Net investment income	571,467	959,456	764,088	3,828,049	(2,742,617)	1,535,083
Benefit payments	(353,235)	(2,441,311)	(2,628,940)	(2,588,413)	(2,888,666)	(3,407,679)
Administrative Expense	(56,673)	(66,652)	(80,301)	(92,803)	(101,358)	(96,506)
Net Change	2,009,594	5,712,804	683,787	6,145,246	(2,093,975)	2,438,577
Net position - beginning	9,254,229	11,263,823	16,976,627	17,660,414	23,805,660	21,711,685
Net position - ending (b)	11,263,823	16,976,627	17,660,414	23,805,660	21,711,685	24,150,262
Net OPEB Liability (a-b)	37,508,280	42,016,069	47,756,922	15,627,763	19,926,632	21,168,553
Net Position as a percentage of total OPEB Liability	23.1%	28.8%	27.0%	60.4%	52.1%	53.3%
Covered employee payroll	$ 36,940,838	$ 37,717,964	$ 40,045,739	$ 41,363,692	$ 43,487,708	$ 46,639,904
Net OPEB liability as a percentage of covered employee payroll	101.5%	111.4%	119.3%	37.8%	45.8%	45.4%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2023, only 6 years are included and additional years will be added as the information becomes available.

Note: The City amended this plan in fiscal year 2021 resulting in a decrease in the net OPEB liability at year end and resulting in a deferred inflow of resources - plan benefit changes. The change requires all retirees and their spouses on the health insurance plan, upon turning 65, must obtain medical coverage through Medicare. The City provides a monthly allowance to offset the cost of Medicare for retirees and their spouses over the age of 65.

City of Mansfield, Texas
Required Supplementary Information - Unaudited

Schedule of Contributions
Last 10 Fiscal Years (will ultimately be displayed)

	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023
Actual contributions paid into plan trust	$ 1,494,800	$ 4,820,000	$ 2,410,000	$ 750,000	$ 1,000,000	$ 1,000,000
Contributions in relation to the actuarially determined contribution	1,494,800	4,820,000	2,410,000	750,000	1,000,000	1,000,000
Contribution deficiency (excess)	-	-	-	-	-	-
Covered Employee Payroll	$ 36,940,838	$ 37,717,964	$ 41,396,691	$ 40,588,706	$ 44,116,485	$ 48,143,372
Contributions as a Percentage of Covered Employee Payroll	4.05%	12.78%	5.82%	1.85%	2.27%	2.08%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2023, only 6 years are included and additional years will be added as the information becomes available.

The NOL in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	RPI-2012 Total Dataset Mortality Table with Improvement Scale MP-2021.
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	The City requires retirees and their spouses (if applicable) to enroll in a Medicare plan and the City will reimburse 100% of the premium costs.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits
Changes in assumptions	We have changed the mortality table from the PPI-2012 Mortality Table to the MP-2021 Total Dataset Mortality Table per external auditors" request. We have also changed the mortality table improvement scale from MP-2020 to MP-2021.

Retirement Rate

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50
55-57	7.50
58-59	10.00
60	25.00
61-64	10.00
65	100.00

Withdrawal Rate

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

Other Information:

Notes — Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Required Supplementary Information - Unaudited

City of Mansfield, Texas
Schedule of Investment Returns - OPEB
Last 10 Years*

Plan Year	Annual Money - Weighted Rate of Return
2017	5.10%
2018	6.50%
2019	4.00%
2020	19.80%
2021	-11.80%
2022	6.48%

* The information in this schedule has been determined as of the measurement date (June 30) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

Required Supplementary Information - Unaudited

City of Mansfield, Texas
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	**Final**	**Actual Amounts**	
REVENUES				
Taxes:				
Property	$ 48,952,607	$ 48,952,607	$ 42,840,686	$ (6,111,921)
Sales	18,037,274	18,037,274	19,613,609	1,576,335
Franchise	3,758,659	3,758,659	4,368,119	609,460
Mixed drink	247,749	247,749	366,812	119,063
Licenses and permits	2,948,126	2,948,126	3,287,058	338,932
Intergovernmental	200,000	200,000	555,905	355,905
Charges for services	6,993,850	6,993,850	7,734,372	740,522
Fines	1,161,387	1,161,387	1,172,990	11,603
Interest earnings	30,000	30,000	1,016,577	986,577
Contributions and donations	-	-	16,957	16,957
Miscellaneous	1,314,028	1,314,028	2,018,811	704,783
Total revenues	83,643,680	83,643,680	82,991,896	(651,784)
EXPENDITURES				
Current:				
General government	27,295,894	27,060,558	26,784,608	275,950
Public safety	45,508,096	45,655,432	45,260,640	394,792
Public works	6,270,920	6,270,920	5,889,375	381,545
Culture and recreation	5,466,682	5,554,682	4,940,588	614,094
Total expenditures	84,541,592	84,541,592	82,875,211	1,666,381
Excess (deficiency) of revenues over (under) expenditures	(897,912)	(897,912)	116,685	1,014,597
OTHER FINANCING SOURCES (USES)				
Transfers in	3,866,289	3,866,289	3,710,269	(156,020)
Transfers out	(2,983,377)	(2,983,377)	(2,980,797)	2,580
Sale of city property	15,000	15,000	16,676	1,676
Total other financing sources (uses)	897,912	897,912	746,148	(151,764)
Net change in fund balances	-	-	862,833	862,833
Fund balances - beginning	31,738,741	31,738,741	31,738,741	-
Fund balances - ending	$ 31,738,741	$ 31,738,741	$ 32,601,574	$ 862,833

See accompanying notes to required supplementary information.

CITY OF MANSFIELD, TEXAS

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – GENERAL FUND

SEPTEMBER 30, 2023

Stewardship, compliance, and accountability

Budgetary information

As set forth in the City Charter, the City Council adopts an annual budget prepared in accordance with GAAP. The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a specific fund; however, any revisions that alter the total expenditures of the fund must be approved by the City Council. The City, for management purposes, adopts budgets for all funds except Special Revenue, Trust, and Capital Projects, which the use of these funds is legally restricted for a designated purpose. Legal budgets are adopted for the General Fund and the Debt Service Funds; the legal level of control is the fund level.

The City is prohibited from deficit spending as defined by the City's Charter. The City's General Fund fund balance as of September 30, 2023 is $32,601,574.

The Capital Projects are funded through the issuance of general obligation debt authorized for a specific purpose. Trust Funds are restricted by legal authorization, which created the trust.

All unused appropriations, except appropriations for capital expenditures, lapse at the close of the fiscal year to the extent they have not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Revenues in the general fund were less than budget by $(651,784) and expenditures were less than budget by $1,666,381, while other financing sources (uses), net, were less than budget by $(151,764).

Supplementary Information

Non-major Governmental Funds

Special Revenue Funds

- Hotel/Motel Tax Fund – This fund is used to account for Hotel/Motel tax revenues that are restricted to expenditure for the promotion of tourism, historical preservation, and the performing arts in the City.
- Grants Fund – This fund is used to account for contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.
- American Rescue Plan Act - This fund is used to account for the Coronavirus State and Local Fiscal Recovery Funds program grant.
- South Pointe PID – This fund is used to account for the public improvement assessments of the South Pointe Public Improvement District.
- Starlin PID – This fund is used to account for the public improvement assessments of the Starlin Public Improvement District.

Other Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes. The following funds are combined into a single column for reporting purposes.

- COPS Grant Fund – This fund is used to account for the purchase of equipment used to reduce crime and improve public safety.
- Police Fund – This fund is used to account for contributions or drug forfeitures that are restricted to expenditure for police drug enforcement or the operations of the specific activity receiving the donation.
- Mansfield Municipal Court Fund – This fund is used to account for revenues that are restricted to promote child safety awareness in the community and to provide a safe and secure courtroom environment for all court participants.
- Tree Mitigation Fund – This fund is used to account for revenues that are restricted to expenditure for the preservation of trees and tree replacement in the City.
- Library Fund – This fund is used to account for contributions or gifts from individuals to be used or expended for Library operations, primarily for the purchase of books.
- Animal Control – This fund is used to account for contributions to be used for special medical needs and spaying/neutering assistance for adoptable animals.

Debt Service Fund

- Mansfield Parks Facility Development Corporation Debt Service – This fund is used to account for the principal and interest payments on the MPFDC outstanding bonds.

Capital Projects Funds

- TIRZ #1 Fund – This fund is used to account for the development, construction, improvements, and acquision of land within a boundary that encompasses 3,100 acres of mixed-use property.
- TIRZ #2 Fund – This fund is used to account for the revitalization of the City's Historic Downtown.
- TIRZ #4 Fund – This fund is used to account for the development, construction, improvements, and acquision of land within a boundary that encompasses 359.4 acress of mixed-use property.
- Equipment Replacement Fund – This fund is used to account for the acquisition of vehicles, machinery, and equipment for use by City departments.
- Parks Construction Fund – This fund is used to account for the construction of new parks within the City.
- Mansfield Public Facility Corporation - This fund is used to account for financial resources used in the financing, refinancing, acquisition, and construction of "public facilities".

City of Mansfield, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2023

	Special Revenue						
	Other Special Revenue Funds	Hotel/Motel Occupancy Tax	Grants Fund	American Rescue Plan Act	South Pointe PID	Starlin PID	Total
ASSETS							
Cash, cash equivalents, and investments	$ 1,640,414	$ 2,317,754	$ 37,763	$ 5,043,753	$ 38,707	$ -	$ 9,078,391
Accounts receivable, net	572	137,366	59,666	-	1,455	-	199,059
Due from other funds	-	-	-	-	-	-	-
Total assets	$ 1,640,986	$ 2,455,120	$ 97,429	$ 5,043,753	$ 40,162	$ -	$ 9,277,450
LIABILITIES							
Accounts payable	$ 5,024	$ 19,083	$ 59,666	$ -	$ 17,951	$ -	$ 101,724
Due to other funds	56,045	-	-	-	24,582	2,000	82,627
Accrued liabilities	-	189	-	-	-	-	189
Retainage payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	4,907,092	-	5,445	4,912,537
Total liabilities	61,069	19,272	59,666	4,907,092	42,533	7,445	5,097,077
DEFERRED INFLOWS OF RESOURCES							
Unavailable property taxes	-	-	-	-	1,455	-	1,455
Total deferred inflows of resources	-	-	-	-	1,455	-	1,455
FUND BALANCES							
Restricted	1,324,509	2,435,848	37,763	136,661	-	-	3,934,781
Committed	255,408	-	-	-	-	-	255,408
Unassigned	-	-	-	-	(3,826)	(7,445)	(11,271)
Total fund balances	1,579,917	2,435,848	37,763	136,661	(3,826)	(7,445)	4,178,918
Total liabilities, deferred inflows of resources and fund balances	$ 1,640,986	$ 2,455,120	$ 97,429	$ 5,043,753	$ 40,162	$ -	$ 9,277,450

Debt Service	Capital Projects							
MPFDC Debt Service	TIRZ 1	TIRZ #2	TIRZ 4	Equipment Replacement	Parks Construction	Mansfield Public Facility Corporation	Total	Total Nonmajor Governmental Funds
$ 522,847	$ 8,851,205	$ -	$ -	$ 1,471,231	$ -	$ 400,000	$ 10,722,436	$ 20,323,674
-	-	620,833	-	-	-	-	620,833	819,892
-	24,582	-	-	-	-	-	24,582	24,582
$ 522,847	$ 8,875,787	$ 620,833	$ -	$ 1,471,231	$ -	$ 400,000	$ 11,367,851	$ 21,168,148
$ -	$ 513,986	$ -	$ 111,480	$ 212,360	$ 185,515	$ -	$ 1,023,341	$ 1,125,065
-	-	3,309,793	693,935	-	128,990	-	4,132,718	4,215,345
4,650	-	-	-	-	-	-	-	4,839
-	-	-	-	10,434	59,799	-	70,233	70,233
-	-	-	-	-	-	-	-	4,912,537
4,650	513,986	3,309,793	805,415	222,794	374,304	-	5,226,292	10,328,019
-	-	-	-	-	-	-	-	1,455
-	-	-	-	-	-	-	-	1,455
518,197	8,361,801	-	-	1,248,437	-	400,000	10,010,238	14,463,216
-	-	-	-	-	-	-	-	255,408
-	-	(2,688,960)	(805,415)	-	(374,304)	-	(3,868,679)	(3,879,950)
518,197	8,361,801	(2,688,960)	(805,415)	1,248,437	(374,304)	400,000	6,141,559	10,838,674
$ 522,847	$ 8,875,787	$ 620,833	$ -	$ 1,471,231	$ -	$ 400,000	$ 11,367,851	$ 21,168,148

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

	Special Revenue						
	Other Special Revenue Funds	**Hotel/Motel Occupancy Tax**	**Grants Fund**	**American Rescue Plan Act**	**South Pointe PID**	**Starlin PID**	**Total**
REVENUES							
Property	$ -	$ -	$ -	$ -	$ 607,652	$ -	$ 607,652
Sales	-	-	-	-	-	-	-
Hotel/motel	-	1,103,504	-	-	-	-	1,103,504
Intergovernmental	-	-	109,692	23,081	-	-	132,773
Charges for services	71,627	11,250	-	-	-	-	82,877
Fines	34,428	-	-	-	-	-	34,428
Interest earnings	16,397	44,093	238	116,709	1,068	-	178,505
Contributions and donations	40,584	-	-	-	-	-	40,584
Miscellaneous	79,755	-	-	-	-	-	79,755
Total revenues	242,791	1,158,847	109,930	139,790	608,720	-	2,260,078
EXPENDITURES							
Current:							
General government	-	683,046	-	9,250	578,271	7,445	1,278,012
Public safety	65,766	-	-	-	-	-	65,766
Culture and recreation	8,247	-	501	-	-	-	8,748
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Fiscal charges	-	-	-	-	-	-	-
Bond issuance cost	-	-	-	-	-	-	-
Capital outlay:							
Capital outlay	72,671	-	73,174	-	-	-	145,845
Total expenditures	146,684	683,046	73,675	9,250	578,271	7,445	1,498,371
Excess (deficiency) of revenues over (under) expenditures	96,107	475,801	36,255	130,540	30,449	(7,445)	761,707
OTHER FINANCING SOURCES (USES)							
Transfers in:							
Transfers in	-	-	-	-	-	-	-
Transfers out:							
Transfers out	-	-	-	-	-	-	-
Sale of city property	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Net change in fund balances	96,107	475,801	36,255	130,540	30,449	(7,445)	761,707
Fund balances beginning	1,483,810	1,960,047	1,508	6,121	(34,275)	-	3,417,211
Fund balances ending	$ 1,579,917	$ 2,435,848	$ 37,763	$ 136,661	$ (3,826)	$ (7,445)	$ 4,178,918

Debt Service	Capital Projects							
MPFDC Debt Service	TIRZ 1	TIRZ #2	TIRZ 4	Equipment Replacement	Parks Construction	Mansfield Public Facility Corporation	Total	Total Nonmajor Governmental Funds
$ -	$ 4,197,413	$ 1,014,153	$ -	$ -	$ -	$ -	$ 5,211,566	$ 5,819,218
3,158,885	-	-	-	-	-	-	-	3,158,885
-	-	-	-	-	-	-	-	1,103,504
-	-	-	-	-	-	-	-	132,773
-	-	-	-	-	-	-	-	82,877
-	-	-	-	-	-	-	-	34,428
8,234	267,115	-	-	271	2,489	-	269,875	456,614
-	-	-	-	-	-	400,000	400,000	440,584
-	10,421	-	-	-	-	-	10,421	90,176
3,167,119	4,474,949	1,014,153	-	271	2,489	400,000	5,891,862	11,319,059
-	7,775,339	278,067	805,415	943,843	-	-	9,802,664	11,080,676
-	-	-	-	51,855	-	-	51,855	117,621
-	-	-	-	-	5,216	-	5,216	13,964
1,965,000	-	-	-	-	-	-	-	1,965,000
1,192,847	-	-	-	-	-	-	-	1,192,847
6,491	-	-	-	-	-	-	-	6,491
-	108,770	-	-	(563)	-	-	108,207	108,207
-	114,935	2,905,528	-	2,719,567	2,940,020	-	8,680,050	8,825,895
3,164,338	7,999,044	3,183,595	805,415	3,714,702	2,945,236	-	18,647,992	23,310,701
2,781	(3,524,095)	(2,169,442)	(805,415)	(3,714,431)	(2,942,747)	400,000	(12,756,130)	(11,991,642)
-	-	-	-	2,662,245	-	-	2,662,245	2,662,245
-	(356,000)	-	-	-	-	-	(356,000)	(356,000)
-	-	-	-	58,909	-	-	58,909	58,909
-	4,925,000	-	-	-	-	-	4,925,000	4,925,000
-	188,695	-	-	-	-	-	188,695	188,695
-	4,757,695	-	-	2,721,154	-	-	7,478,849	7,478,849
2,781	1,233,600	(2,169,442)	(805,415)	(993,277)	(2,942,747)	400,000	(5,277,281)	(4,512,793)
515,416	7,128,201	(519,518)	-	2,241,714	2,568,443	-	11,418,840	15,351,467
$ 518,197	$ 8,361,801	$ (2,688,960)	$ (805,415)	$ 1,248,437	$ (374,304)	$ 400,000	$ 6,141,559	$ 10,838,674

Required Supplementary Information

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive Negative
	Original	**Final**	**Actual Amounts**	
REVENUES				
Property taxes	$ 16,110,269	$ 16,110,269	$ 20,779,739	$ 4,669,470
Interest earnings	-	-	81,107	81,107
Miscellaneous	-	-	2,005	2,005
Total revenues	16,110,269	16,110,269	20,862,851	4,752,582
EXPENDITURES				
Debt service:				
Principal	10,647,597	10,647,597	13,215,000	(2,567,403)
Interest	5,462,672	5,462,672	5,033,350	429,322
Fiscal charges	-	-	155,855	(155,855)
Total expenditures	16,110,269	16,110,269	18,404,205	(2,293,936)
Excess of revenues over expenditures	-	-	2,458,646	2,458,646
OTHER FINANCING SOURCES (USES)				
Escrow for current refunding	-	-	(9,414,003)	(9,414,003)
Bonds issued	-	-	8,350,000	8,350,000
Premium on bonds issued	-	-	816,163	816,163
Total other financing sources (uses)	-	-	(247,840)	(247,840)
Net changes in fund balance	-	-	2,210,806	2,210,806
Fund balances beginning	5,222,453	5,222,453	5,222,453	-
Fund balances ending	$ 5,222,453	$ 5,222,453	$ 7,433,259	$ 2,210,806

Required Supplementary Information

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Mansfield Parks Facilities Development Corporation Debt Service Fund
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Sales taxes	$ 3,157,847	$ 3,157,847	$ 3,158,885	$ 1,038
Interest earnings	-	-	8,234	8,234
Total revenues	3,157,847	3,157,847	3,167,119	9,272
EXPENDITURES				
Debt service:				
Principal	1,965,000	1,965,000	1,965,000	-
Interest	1,192,847	1,192,847	1,192,847	-
Fiscal charges	-	-	6,491	(6,491)
Total expenditures	3,157,847	3,157,847	3,164,338	(6,491)
Excess (deficiency) of revenues over (under) expenditures	-	-	2,781	2,781
Fund balances beginning	515,416	515,416	515,416	-
Fund balances ending	$ 515,416	$ 515,416	$ 518,197	$ 2,781

APPENDIX C

FORM OF BOND COUNSEL'S OPINIONS

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January _____, 2025

$_____________
MANSFIELD ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE BONDS, TAXABLE NEW SERIES 2025

WE HAVE represented the Mansfield Economic Development Corporation (the "Issuer") as its bond counsel in connection with an issue of sales tax revenue bonds (the "Bonds") described as follows:

MANSFIELD ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE BONDS, TAXABLE NEW SERIES 2025, dated December 1, 2024, in the principal amount of $____________.

The Bonds mature, bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Bonds and in the resolution adopted by the Board of Directors of the Issuer authorizing their issuance (the "Resolution").

WE HAVE represented the Issuer as its bond counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas. We have not been requested to investigate or verify and have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

IN OUR CAPACITY as bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the Issuer; and customary certificates of officers, agents and representatives of the Issuer, the City of Mansfield, Texas (the "City") and other public officials; and other certified showings relating to the authorization and issuance of the Bonds. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein. Moreover, we have also examined executed Bond No. 1 of this issue. Capitalized terms used herein, unless otherwise defined, have the meanings set forth in the Resolution.

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In providing the opinions set forth herein, we have relied on representations and certifications of the Issuer and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the Issuer and such parties, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the covenants in the Resolution.

BASED ON SUCH EXAMINATION AND IN RELIANCE ON SUCH REPRESENTATIONS, CERTIFICATIONS, AND ASSUMPTIONS, IT IS OUR OPINION THAT:

(A) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently effective and, therefore, the Bonds constitute valid and legally binding special obligations of the Issuer; and

(B) The Bonds, together with the Parity New Series Revenue Obligations, are payable from and secured by a lien on and pledge of the Pledged Revenues and Pledged Funds, which includes the proceeds of a ½ of 1% sales and use tax levied within the City for the benefit of the Issuer, as defined and described in the Resolution.

THE BONDS are not and do not create a debt of the State of Texas, of the City of Mansfield, Texas, or of any other political subdivision or governmental agency of the State of Texas. The Bonds are not secured by any mortgage or other lien on any real or personal property constituting the Project.

THE RIGHTS OF THE OWNERS of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

We observe that the Issuer has taken no action to cause interest on the Bonds to be excludable from gross income for the purposes of federal income taxation. We express no opinion regarding any federal, state or local tax consequence resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.

January _____, 2025

$_____________
MANSFIELD ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE BONDS, TAX-EXEMPT NEW SERIES 2025

WE HAVE represented the Mansfield Economic Development Corporation (the "Issuer") as its bond counsel in connection with an issue of sales tax revenue bonds (the "Bonds") described as follows:

> MANSFIELD ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE BONDS, SERIES 2025, dated December 1, 2024, in the principal amount of $____________.
>
> The Bonds mature, bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Bonds and in the resolution adopted by the Board of Directors of the Issuer authorizing their issuance (the "Resolution").

WE HAVE represented the Issuer as its bond counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the excludability of interest on the Bonds from gross income for federal income tax purposes. We have not been requested to investigate or verify and have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

IN OUR CAPACITY as bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the Issuer; and customary certificates of officers, agents and representatives of the Issuer, the City of Mansfield, Texas (the "City") and other public officials; and other certified showings relating to the authorization and issuance of the Bonds. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein. Moreover, we have also examined executed Bond No. 1 of this issue. Capitalized terms used herein, unless otherwise defined, have the meanings set forth in the Resolution.

In providing the opinions set forth herein, we have relied on representations and certifications of the Issuer and other parties involved with the issuance of the Bonds with respect to matters solely within

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the knowledge of the Issuer and such parties, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the covenants in the Resolution, including, but not limited to, covenants relating to the tax-exempt status of the Bonds.

BASED ON SUCH EXAMINATION AND IN RELIANCE ON SUCH REPRESENTATIONS, CERTIFICATIONS, AND ASSUMPTIONS, IT IS OUR OPINION THAT:

(A) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently effective and, therefore, the Bonds constitute valid and legally binding special obligations of the Issuer;

(B) The Bonds, together with the Parity New Series Revenue Obligations, are payable from and secured by a lien on and pledge of the Pledged Revenues and Pledged Funds, which includes the proceeds of a ½ of 1% sales and use tax levied within the City for the benefit of the Issuer, as defined and described in the Resolution; and

(C) Interest on the Bonds is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended. In addition, interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax, but we observe that such interest is taken into account in computing the alternative minimum tax on certain corporations.

THE BONDS are not and do not create a debt of the State of Texas, of the City of Mansfield, Texas, or of any other political subdivision or governmental agency of the State of Texas. The Bonds are not secured by any mortgage or other lien on any real or personal property constituting the Project.

THE RIGHTS OF THE OWNERS of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

We express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Bonds. This opinion is specifically limited to the laws of the State of Texas and, to the extent applicable, the law of the United State of America. Further, in the event that the representations or certifications of the Issuer and other parties upon which we have relied are determined to be inaccurate or incomplete or the Issuer fails to comply with the covenants of the Resolution, interest on the Bonds could become includable in gross income for federal income tax purposes from the date of the original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.

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