

OFFICIAL STATEMENT

Dated May 7, 2026

Ratings:

S&P: "AA" (AG) / "A+" (Underlying)
(see "OTHER INFORMATION – Ratings"; "BOND INSURANCE" and "BOND INSURANCE RISKS" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Jackson Walker LLP, Special Tax Counsel to the City, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Special Tax Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Special Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

\$14,260,000

CITY OF WILMER, TEXAS

(Dallas County, Texas)

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026

Dated Date: May 15, 2026

Due: September 1, as shown on page 2

Interest to accrue from the Delivery Date (defined below)

PAYMENT TERMS . . . Interest on the \$14,260,000 City of Wilmer, Texas General Obligation Refunding Bonds, Series 2026 (the "Bonds"), will accrue from the date of initial delivery of the Bonds to the underwriter shown below (the "Underwriter"), anticipated to be on or about June 3, 2026 (the "Delivery Date"), and will be payable March 1 and September 1 of each year commencing September 1, 2026, 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 Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. 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 OBLIGATIONS - Book-Entry-Only System" herein). The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Texas Government Code, Chapter 1207, as amended, and are direct obligations of the City of Wilmer, Texas (the "City") (see "THE OBLIGATIONS - Authority for Issuance of the Bonds"), payable from a direct and continuing annual ad valorem tax levied upon all taxable property within the City, within the limits prescribed by law, as defined and provided in the ordinance authorizing the Bonds adopted by the City Council of the City (the "Bond Ordinance") (see "THE OBLIGATIONS – Security and Source of Payment for the Obligations").

PURPOSE . . . Proceeds from the sale of the Bonds will be used to (i) refund a portion of the City's outstanding debt described in Schedule I (the "Refunded Obligations") for present value debt service savings and (ii) pay the costs of issuance associated with the sale of the Bonds. (See "PLAN OF FINANCING – Purpose" herein).

CUSIP PREFIX: 971435

MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page 2

SEPARATE ISSUES . . . The Bonds are being offered by the City concurrently with the issuance of the \$5,835,000 City of Wilmer, Texas Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Certificates") under a common Official Statement. The Bonds and Certificates are separate and distinct securities offerings being issued and sold independently except for being offered through this common Official Statement, and such Bonds and Certificates are hereinafter sometimes referred to collectively as the "Obligations". While the Bonds and Certificates share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including without limitation the type of obligation being offered, its terms of payment, the security for its payment, the rights of the City to redeem the Obligations of either series, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

INSURANCE . . . The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY INC.** (see "BOND INSURANCE", and "BOND INSURANCE RISKS" and "Appendix E – Specimen Municipal Bond Insurance Policy").



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

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on or about June 3, 2026 (the "Delivery Date").

BOK FINANCIAL SECURITIES, INC.

\$14,260,000
CITY OF WILMER, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026

MATURITY SCHEDULE

Amount	1-Sep Maturity	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
\$ 500,000	2026	5.000%	2.850%	CX8
275,000	2027	5.000%	2.800%	CY6
***	***	***	***	***
1,225,000	2029	5.000%	2.840%	CZ3
1,280,000	2030	5.000%	2.920%	DA7
1,350,000	2031	5.000%	3.020%	DB5
1,415,000	2032	5.000%	3.150%	DC3
1,485,000	2033	5.000%	3.220%	DD1
1,560,000	2034	5.000%	3.300%	DE9
1,645,000	2035	5.000%	3.390%	DF6
1,720,000	2036	5.000%	3.470%	DG4
1,805,000	2037	5.000%	3.530% ⁽²⁾	DH2

(Interest to accrue from the Delivery Date)

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- (1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the City, the Underwriter, or the Municipal Advisor shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.
- (2) Yield calculated based on the assumption that the Bonds denoted and sold at a premium will be redeemed on September 1, 2036, the first optional call date for such Bonds, at a redemption price of par, plus accrued interest to the redemption date.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after September 1, 2037, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2036, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS – Optional Redemption").



OFFICIAL STATEMENT

Ratings:

S&P: "AA" (AG) / "A+" (Underlying)
(see "OTHER INFORMATION – Ratings"; BOND INSURANCE" and "BOND INSURANCE RISKS" herein)

Dated May 7, 2026

NEW ISSUE - Book-Entry-Only

In the opinion of Jackson Walker LLP, Special Tax Counsel to the City, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Special Tax Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Special Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

\$5,835,000

CITY OF WILMER, TEXAS

(Dallas County, Texas)

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026

Dated Date: May 15, 2026

Due: September 1, as shown on page 4

Interest to accrue from the Delivery Date (defined below)

PAYMENT TERMS . . . Interest on the \$5,835,000 City of Wilmer, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Certificates") will accrue from the date of initial delivery of the Certificates to the underwriter shown below (the "Underwriter") anticipated to be on or about June 3, 2026 (the "Delivery Date"), and will be payable March 1 and September 1 of each year commencing March 1, 2027, 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 Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. No physical delivery of the Certificates will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates (see "THE OBLIGATIONS - Book-Entry-Only System" herein). The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and an Ordinance adopted by the City Council of the City on May 7, 2026 (the "Certificate Ordinance" and, together with the Bond Ordinance, the "Ordinances"). The Certificates constitute direct obligations of the City of Wilmer, Texas (the "City") payable from a combination of (i) an ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City, and (ii) the revenues to be derived from the City's water and sewer system (the "System") after the payment of all operation and maintenance expenses thereof in an amount not to exceed \$1,000 (see "THE OBLIGATIONS – Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purposes of (i) completion of construction and improvements of a new public safety facility at the southeast corner of Distribution Road and N. Goode Road., including the purchase of materials, supplies, equipment, machinery, facilities, and rights-of-way in relation thereto; (ii) completion of construction and improvements of a new public works facility on N. Goode Rd. that will be physically connected to the new public safety facility, including site preparation and the purchase of materials, supplies, equipment, machinery, facilities, and rights-of-way in relation thereto; (iii) construction of a new 9-1-1 Tower at 1200 N. Goode Rd. Wilmer, TX 75172; and (iv) professional services rendered in connection with the above listed projects. (See "PLAN OF FINANCING – Purpose" herein).

CUSIP PREFIX: 971435

MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page 4

SEPARATE ISSUES . . . The Certificates are being offered by the City concurrently with the issuance of the \$14,260,000 City of Wilmer, Texas General Obligation Refunding Bonds, Series 2026 (the "Bonds") under a common Official Statement. The Bonds and Certificates are separate and distinct securities offerings being issued and sold independently except for being offered through this common Official Statement, and such Bonds and Certificates are hereinafter sometimes referred to collectively as the "Obligations". While the Bonds and Certificates share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including without limitation the type of obligation being offered, its terms of payment, the security for its payment, the rights of the City to redeem the Obligations of either series, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

INSURANCE . . . The scheduled payment of principal of and interest on the Certificates when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Certificates by ASSURED GUARANTY INC. (see "BOND INSURANCE", and "BOND INSURANCE RISKS" and "Appendix E – Specimen Municipal Bond Insurance Policy").



LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the Underwriter and subject to the approving opinion of the Attorney General of Texas and the opinion of West & Associates L.L.P., Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions") and the opinion of Jackson Walker LLP, Houston, Texas, Special Tax Counsel (see Appendix D, "Forms of Special Tax Counsel's Opinions"). Certain legal matters with respect to the Certificates will be passed upon by Bracewell LLP, Dallas, Texas, Counsel for the Underwriter.

DELIVERY . . . It is expected that the Certificates will be available for delivery through DTC on or about June 3, 2026 (the "Delivery Date").

BOK FINANCIAL SECURITIES, INC.

\$5,835,000

**CITY OF WILMER, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026**

MATURITY SCHEDULE

	<u>Amount</u>	<u>1-Sep Maturity</u>	<u>Interest Rate</u>	<u>Initial Yield</u>	<u>CUSIP Suffix ⁽¹⁾</u>
\$	110,000	2027	5.000%	2.800%	DJ8
	190,000	2028	5.000%	2.780%	DK5
	200,000	2029	5.000%	2.850%	DL3
	205,000	2030	5.000%	2.940%	DM1
	215,000	2031	5.000%	3.040%	DN9
	230,000	2032	5.000%	3.160%	DP4
	240,000	2033	5.000%	3.220%	DQ2
	250,000	2034	5.000%	3.300%	DR0
	265,000	2035	5.000%	3.390%	DS8
	275,000	2036	5.000%	3.470%	DT6
	290,000	2037	5.000%	3.540%	⁽²⁾ DU3
	305,000	2038	5.000%	3.630%	⁽²⁾ DV1
	320,000	2039	5.000%	3.740%	⁽²⁾ DW9
	335,000	2040	5.000%	3.780%	⁽²⁾ DX7

\$1,115,000 5.000% Term Certificates Due September 1, 2043 at a Price of 107.982 to Yield 4.040% ⁽²⁾ CUSIP Suffix ⁽¹⁾ EA6

\$1,290,000 5.000% Term Certificates Due September 1, 2046 at a Price of 104.898 to Yield 4.400% ⁽²⁾ CUSIP Suffix ⁽¹⁾ ED0

(Interest to accrue from the Delivery Date)

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- (1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the City, the Underwriter, or the Municipal Advisor shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.
- (2) Yield calculated based on the assumption that the Certificates denoted and sold at a premium will be redeemed on September 1, 2036, the first optional call date for such Certificates, at a redemption price of par, plus accrued interest to the redemption date.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after September 1, 2037, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2036, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS – Optional Redemption").

MANDATORY SINKING FUND REDEMPTION . . . The Certificates maturing on September 1 in the years 2043 and 2046 are also subject to mandatory sinking fund redemption as described herein (see "THE OBLIGATIONS – Mandatory Sinking Fund Redemption").

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

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

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

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

ASSURED GUARANTY INC. ("AG") MAKES NO REPRESENTATION REGARDING THE OBLIGATIONS OR THE ADVISABILITY OF INVESTING IN THE OBLIGATIONS. IN ADDITION, AG HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING AG SUPPLIED BY AG AND PRESENTED UNDER THE HEADING "BOND INSURANCE" AND "APPENDIX E - SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

NONE OF THE CITY, ITS MUNICIPAL ADVISOR, NOR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING DTC OR ITS BOOK-ENTRY-ONLY SYSTEM.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF THE INFORMATION.

THE COVER PAGES OF THIS OFFICIAL STATEMENT FOR THE OBLIGATIONS CONTAIN CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY AND ARE NOT INTENDED AS A SUMMARY OF THE OFFERING. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL SCHEDULES AND APPENDICES HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

THE AGREEMENTS OF THE CITY AND OTHERS RELATED TO THE OBLIGATIONS ARE CONTAINED SOLELY IN THE CONTRACTS DESCRIBED HEREIN. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER STATEMENT MADE IN CONNECTION WITH THE OFFER OR SALE OF THE OBLIGATIONS IS TO BE CONSTRUED AS CONSTITUTING AN AGREEMENT WITH A PURCHASER OF THE OBLIGATIONS.

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

THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR OTHER MATTERS DESCRIBED HEREIN. SEE "CONTINUING DISCLOSURE OF INFORMATION" FOR A DESCRIPTION OF THE CITY'S UNDERTAKING TO PROVIDE CERTAIN INFORMATION ON A CONTINUING BASIS.

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.

TABLE OF CONTENTS

OFFICIAL STATEMENT SUMMARY.....	7	FINANCIAL INFORMATION.....	33
CITY OFFICIALS, STAFF AND CONSULTANTS.....	10	TABLE 11 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY.....	33
ELECTED OFFICIALS.....	10	TABLE 12 - MUNICIPAL SALES TAX HISTORY.....	34
SELECTED ADMINISTRATIVE STAFF.....	10	INVESTMENTS.....	34
CONSULTANTS AND ADVISORS.....	10	TABLE 13 - CURRENT INVESTMENTS.....	35
INTRODUCTION.....	11	TAX MATTERS.....	35
PLAN OF FINANCING.....	11	CONTINUING DISCLOSURE OF INFORMATION.....	36
THE OBLIGATIONS.....	12	OTHER INFORMATION.....	38
BOND INSURANCE.....	18	RATINGS.....	38
BOND INSURANCE RISKS.....	19	LITIGATION.....	38
TAX INFORMATION.....	20	REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE.....	38
TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT.....	26	LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS.....	38
TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY.....	27	LEGAL OPINIONS.....	38
TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY.....	28	VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS.....	39
TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY.....	28	AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION.....	39
TABLE 5 - TEN LARGEST TAXPAYERS.....	29	MUNICIPAL ADVISOR.....	39
TABLE 6 - ESTIMATED OVERLAPPING DEBT.....	29	UNDERWRITER.....	39
TABLE 7 - TAX ADEQUACY.....	30	FORWARD-LOOKING STATEMENTS DISCLAIMER.....	39
DEBT INFORMATION.....	31	MISCELLANEOUS.....	40
TABLE 8 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS.....	31		
TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION.....	32		
TABLE 10 - OTHER OBLIGATIONS.....	32		

SCHEDULE I

SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS

APPENDICES

GENERAL INFORMATION REGARDING THE CITY A
EXCERPTS FROM THE CITY’S ANNUAL FINANCIAL REPORT B
FORMS OF BOND COUNSEL’S OPINIONS C
FORMS OF SPECIAL TAX COUNSEL’S OPINIONS..... D
SPECIMEN MUNICIPAL BOND INSURANCE POLICY.....E

The cover pages hereof, maturity schedules, this page, the Schedule I and 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 Obligations to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY..... The City of Wilmer, Texas (the "City") is a political subdivision and Type A general law municipal corporation of the State of Texas, located in Dallas County, Texas (see "INTRODUCTION – Description of the City").

THE OBLIGATIONS..... The \$14,260,000 City of Wilmer, Texas, General Obligation Refunding Bonds, Series 2026 are being issued as serial Bonds maturing on September 1 in the years 2026 and 2027 and the years 2029 through 2037 (see "THE OBLIGATIONS - Description of the Obligations").

The \$5,835,000 City of Wilmer, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2026 are being issued as serial Certificates maturing on September 1 in each of the years 2027 through 2040 and as Term Certificates maturing on September 1 in the years 2043 and 2046 unless redeemed in accordance with the provisions described herein (see "THE OBLIGATIONS - Description of the Obligations" and "THE OBLIGATIONS - Mandatory Sinking Fund Redemption").

The Bonds and the Certificates are sometimes referred to collectively herein as the "Obligations".

PAYMENT OF INTEREST

ON THE OBLIGATIONS..... Interest on the Bonds accrues from the date of initial delivery (the "Delivery Date") (anticipated to be June 3, 2026), and is payable March 1 and September 1 of each year, commencing September 1, 2026, until maturity or prior redemption (see "THE OBLIGATIONS - Description of the Obligations").

Interest on the Certificates accrues from the Delivery Date (anticipated to be June 3, 2026), and is payable March 1 and September 1 of each year, commencing March 1, 2027, until maturity or prior redemption (see "THE OBLIGATIONS - Description of the Obligations").

AUTHORITY FOR ISSUANCE

FOR THE OBLIGATIONS The Bonds are authorized and issued pursuant to the Constitution and general laws of the State, particularly Texas Government Code, Chapter 1207, as amended, and an ordinance adopted by the City Council of the City ("City Council") on May 7, 2026 (the "Bond Ordinance") (see "THE OBLIGATIONS - Authority for Issuance of the Obligations").

The Certificates are issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and an Ordinance adopted by the City Council on May 7, 2026 (the "Certificate Ordinance" and together with the Bond Ordinance, the "Ordinances") (see "THE OBLIGATIONS – Authority for Issuance of the Obligations").

SECURITY FOR THE

OBLIGATIONS The Bonds are direct obligations of the City payable from the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, as provided in the Bond Ordinance (see "THE OBLIGATIONS - Security and Source of Payment").

The Certificates constitute direct obligations of the City, payable from a combination of (i) an ad valorem tax levied, within the limits prescribed by law, on the taxable property located within the City, and (ii) the revenues to be derived from the City’s water and sewer system (the "System") after the payment of all operation and maintenance expenses thereof in an amount not to exceed \$1,000, as defined and provided in the Certificate Ordinance (see "THE OBLIGATIONS – Security and Source of Payment").

OPTIONAL REDEMPTION

OF THE BONDS..... The City reserves the right, at its option, to redeem Bonds having stated maturities on and after September 1, 2037, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2036, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS - Optional Redemption").

OPTIONAL REDEMPTION

OF THE CERTIFICATES The City reserves the right, at its option, to redeem Certificates having stated maturities on and after September 1, 2037, in whole or in part principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2036, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS – Optional Redemption").

MANDATORY SINKING FUND

REDEMPTION The Certificates maturing on September 1 in the years 2043 and 2046 are also subject to mandatory sinking fund redemption as described herein ("THE OBLIGATIONS – Mandatory Sinking Fund Redemption").

TAX EXEMPTION..... In the opinion of Jackson Walker LLP, Special Tax Counsel, interest on the Obligations is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions existing on the date of such opinion, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.

USE OF PROCEEDS

FOR THE OBLIGATIONS..... Proceeds from the sale of the Bonds will be used to (i) refund a portion of the City’s outstanding debt described in Schedule I (the "Refunded Obligations") for present value debt service savings and (ii) pay the costs of issuance associated with the sale of the Bonds. (See "PLAN OF FINANCING – Purpose" herein).

Proceeds from the sale of the Certificates will be used for the purposes of (i) completion of construction and improvements of a new public safety facility at the southeast corner of Distribution Road and N. Goode Road., including the purchase of materials, supplies, equipment, machinery, facilities, and rights-of-way in relation thereto; (ii) completion of construction and improvements of a new public works facility on N. Goode Rd. that will be physically connected to the new public safety facility, including site preparation and the purchase of materials, supplies, equipment, machinery, facilities, and rights-of-way in relation thereto; (iii) construction of a new 9-1-1 Tower at 1200 N Goode Rd. Wilmer, TX 75172; and (iv) professional services rendered in connection with the above listed projects. (See "PLAN OF FINANCING – Purpose" herein).

RATINGS FOR THE

OBLIGATIONS The Obligations are expected to be rated "AA" (stable outlook) by S&P Global Ratings, a division of Standard and Poor’s Financial Services LLC ("S&P") by virtue of a municipal bond insurance policy to be issued concurrently by Assured Guaranty Inc. upon delivery of the Obligations to the Underwriter. The Obligations are also rated "A+" (stable outlook) by S&P without regard to credit enhancement (see "OTHER INFORMATION - Ratings" and "BOND INSURANCE").

BOOK-ENTRY-ONLY SYSTEM..... The definitive Obligations 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 Obligations may be acquired in principal denominations of \$5,000 or integral multiples thereof. No physical delivery of the Obligations will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Obligations 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 Obligations (see "THE OBLIGATIONS – Book-Entry-Only System").

PAYMENT RECORD The City has never defaulted in payment of its bonded indebtedness.

PAYING AGENT/REGISTRAR The initial Paying Agent/Registrar for the Obligations is BOKF, NA, Dallas, Texas.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	G.O. Tax Debt Outstanding at End of Year	Ratio of G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2022	5,055	\$ 806,257,751	\$ 159,497	\$ 19,388,000	2.40%	3,835
2023	6,690	1,231,824,695	184,129	34,516,000	2.80%	5,159
2024	6,690	1,769,312,456	264,471	33,756,000	1.91%	5,046
2025	7,134	2,378,046,919	333,340	32,028,000	1.35%	4,489
2026	7,562	3,154,905,639	417,205	34,473,000 ⁽³⁾	1.09% ⁽³⁾	4,559 ⁽³⁾

(1) Source: City officials.

(2) As reported by the Appraisal District on the City’s annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Includes the Bonds and Certificates. Excludes the Refunded Obligations.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Year Ended September 30,				
	2025	2024	2023	2022	2021
Beginning Balance	\$ 667,032	\$ (570,228)	\$ 3,994,276	\$ 1,394,679	\$ 574,522
Total Revenues	16,960,493	15,350,484	12,919,702	11,264,013	8,793,270
Total Expenditures	20,279,289	14,113,224	13,175,238	9,184,613	7,973,113
Net Transfers	5,092,359	-	(4,308,968)	520,197	-
Net Funds Available	3,088,563	1,237,260	(4,564,504)	2,599,597	820,157
Prior Period Adjustment	(468,150)	-	-	-	-
Ending Balance	<u>\$ 3,287,445</u>	<u>\$ 667,032</u>	<u>\$ (570,228)</u>	<u>\$ 3,994,276</u>	<u>\$ 1,394,679</u>

For additional information regarding the City, please contact:

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CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Sheila Petta ⁽¹⁾ Mayor	5 Years	May 2026	Retired
Phyllis Slough Mayor Pro-Tem	6 Years	May 2027	Retired
Kim Turner Council Member	1 Year	May 2027	Retired
Laura Jacobs Council Member	4 Years	May 2026	Educator
Linda Diane Nelon Council Member	3 Years	May 2027	Finance
Sergio Campos Council Member	2 Years	May 2026	Retired

(1) The City conducted its general election on May 2, 2026 for certain City Council positions. As of the date of this Official Statement, the results of such election have not been officially canvassed by the City Council. The canvass of such election is scheduled for May 12, 2026.

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service with City</u>	<u>Years in City Government</u>
Steve Norwood	City Administrator	6 Months	29 Years
Patricia Albrecht	Consulting Finance Director	1 Year	25 Years
Kristin Downs	City Secretary	1 Year	11 Years

CONSULTANTS AND ADVISORS

Auditor Fox, Byrd & Company, P.C.
Dallas, Texas

Bond Counsel West & Associates, L.L.P.
Dallas, Texas

Special Tax Counsel Jackson Walker LLP
Houston, Texas

Municipal Advisor Hilltop Securities Inc.
Dallas, Texas

OFFICIAL STATEMENT
RELATING TO
\$14,260,000
CITY OF WILMER, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026

AND
\$5,835,000
CITY OF WILMER, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026

INTRODUCTION

This Official Statement, which includes Schedule I and the Appendices hereto, provides certain information regarding the issuance of \$14,260,000 City of Wilmer, Texas, General Obligation Refunding Bonds, Series 2026 (the "Bonds") and \$5,835,000 City of Wilmer, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Certificates", and together with the Bonds, herein collectively referred to as the "Obligations"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the respective ordinances (the "Bond Ordinance" with respect to the Bonds and the "Certificate Ordinance" with respect to the Certificates), adopted by the City Council of the City of Wilmer, Texas (the "City") on the date of the sale of the Obligations and authorized the issuance of the Bonds and the Certificates, respectively. The Bond Ordinance and the Certificate Ordinance are herein collectively referred to as the "Ordinances".

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

DESCRIPTION OF THE CITY . . . The City is a political subdivision and Type A general law municipal corporation of the State of Texas (the "State"), duly organized and existing under the laws of the State. The City was incorporated in 1949. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Council Members who are elected for staggered two-year terms. The City Administrator is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, environmental health services, parks and recreation, public facilities, planning and zoning, and general administrative services. The 2020 U.S. Census population for the City was 4,974. The City's estimated population for 2026 is 7,562.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used to (i) refund a portion of the City's outstanding debt described in Schedule I (the "Refunded Obligations") for present value debt service savings and (ii) pay the costs of issuance associated with the sale of the Bonds.

Proceeds from the sale of the Certificates will be used for the purposes of (i) completion of construction and improvements of a new public safety facility at the southeast corner of Distribution Road and N. Goode Road., including the purchase of materials, supplies, equipment, machinery, facilities, and rights-of-way in relation thereto; (ii) completion of construction and improvements of a new public works facility on N. Goode Rd. that will be physically connected to the new public safety facility, including site preparation and the purchase of materials, supplies, equipment, machinery, facilities, and rights-of-way in relation thereto; (iii) construction of a new 9-1-1 Tower at 1200 N. Goode Rd. Wilmer, TX 75172; and (iv) professional services rendered in connection with the above listed projects.

REFUNDED OBLIGATIONS. . . The principal and interest due on the Refunded Obligations are to be paid on the redemption date shown on Schedule I hereto (the "Redemption Date") from funds to be deposited with BOKF, NA, Dallas, Texas, as Escrow Agent (the "Escrow Agent"), pursuant to an escrow agreement (the "Escrow Agreement") between the City and the Escrow Agent. The Bond Ordinance provides that from a portion of the proceeds of the sale of the Bonds received from the underwriter listed on the cover page hereof (the "Underwriter") and other available funds of the City, if any, the City will deposit with the Escrow Agent an amount which, when added to the investment earnings on the Escrowed Securities (defined below), will be sufficient to accomplish the discharge and final payment of the Refunded Obligations on their Redemption Date. Such funds will be held by the Escrow Agent in an escrow account (the "Escrow Fund") and used to purchase (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and/or (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent (the "Escrowed Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of principal of and interest on the Refunded Obligations.

Robert Thomas CPA, LLC (the "Verification Agent"), will verify at the time of delivery of the Bonds to the Underwriter thereof the mathematical accuracy of the schedules that demonstrate the Escrowed Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, principal and accrued interest

on the Refunded Obligations on their Redemption Date. Such maturing principal of and interest on the Escrowed Securities will not be available to pay the Bonds (see "OTHER INFORMATION – Verification of Arithmetical and Mathematical Computations").

By the deposit of a portion of the Bond proceeds, cash, if necessary, and the Escrowed Securities purchased with a portion of the Bond proceeds, with the Escrow Agent pursuant to the Escrow Agreement, the City will have effected the defeasance of all of the Refunded Obligations in accordance with the law. It is the opinion of Bond Counsel that, as a result of such defeasance and in reliance upon the report of the Verification Agent, the Refunded Obligations will be outstanding only for the purpose of receiving payments from the Escrowed Securities and any cash held for such purpose by the Escrow Agent and such Refunded Obligations will not be deemed as being outstanding obligations of the City.

SOURCES AND USES OF BOND PROCEEDS . . . Proceeds from the sale of the Bonds are expected to be expended as follows:

SOURCES OF FUNDS:	
Par Amount of Bonds	\$ 14,260,000.00
Reoffering Premium	<u>1,492,323.00</u>
Total Sources	<u>\$ 15,752,323.00</u>
 USES OF FUNDS:	
Deposit to Escrow Fund	\$ 15,311,415.02
Underwriting Discount	78,191.64
Cost of Issuance ⁽¹⁾	<u>362,716.34</u>
Total Uses	<u>\$ 15,752,323.00</u>

- (1) Includes legal fees of the City, municipal advisory fees, rating agency fees, fees of the Paying Agent/Registrar and Escrow Agent and Verification Agent, municipal bond insurance premium and other costs of issuance, including contingency.

SOURCES AND USES OF CERTIFICATE PROCEEDS . . . Proceeds from the sale of the Certificates are expected to be expended as follows:

SOURCES OF FUNDS:	
Par Amount of Certificates	\$ 5,835,000.00
Reoffering Premium	<u>505,718.55</u>
Total Sources	<u>\$ 6,340,718.55</u>
 USES OF FUNDS:	
Deposit to Project Fund	\$ 6,144,200.85
Underwriting Discount	36,729.67
Cost of Issuance ⁽¹⁾	<u>159,788.03</u>
Total Uses	<u>\$ 6,340,718.55</u>

- (1) Includes legal fees of the City, municipal advisory fees, rating agency fees, fees of the Paying Agent/Registrar, municipal bond insurance premium and other costs of issuance, including contingency.

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS . . . The Obligations are dated May 15, 2026 and mature on September 1 in each of the years and in the amounts shown on page 2 (with respect to the Bonds) and page 4 (with respect to the Certificates) hereof. Interest will accrue from the date of initial delivery thereof (the "Delivery Date"), will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on March 1 and September 1 of each year, commencing September 1, 2026 (with respect to the Bonds) and March 1, 2027 (with respect to the Certificates) until maturity or prior redemption. The definitive Obligations will be issued only in fully-registered form in principal denominations of \$5,000 or any integral multiple thereof 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 Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar identified herein 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 Obligations (see "THE OBLIGATIONS - Book-Entry-Only System").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and general laws of the State, including particularly Texas Government Code, Chapter 1207, as amended, and the Bond Ordinance adopted by the City Council of the City ("City Council") on May 7, 2026.

The Certificates are issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and the Certificate Ordinance adopted by the City Council on May 7, 2026.

SECURITY AND SOURCE OF PAYMENT FOR THE OBLIGATIONS . . . The Bonds are direct obligations of the City payable from the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, as provided in the Bond Ordinance.

The Certificates constitute direct obligations of the City payable from a combination of (i) an ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City, and (ii) the revenues to be derived from the City’s water and sewer system (the “System”) after the payment of all operation and maintenance expenses thereof in an amount not to exceed \$1,000 as provided in the Certificate Ordinance.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution limits the maximum ad valorem tax rate for Type A general law municipality to \$1.50 per \$100 taxable assessed valuation for all purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.00 of the \$1.50 maximum tax rate for all debt service on ad valorem tax-supported debt, as calculated at the time of issuance.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Obligations having stated maturities on and after September 1, 2037, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2036, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all the Obligations of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Obligations are in Book-Entry-Only form) shall determine by lot the Obligations, or portions thereof, within such maturity to be redeemed. If an Obligation (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Obligation (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.

MANDATORY SINKING FUND REDEMPTION . . . The Certificates maturing on September 1 in the years 2043 and 2046 (the "Term Certificates") are subject to mandatory sinking fund redemption on the dates and in the principal amounts shown below at the price of par plus accrued interest to the redemption date.

<u>Term Certificates Due September 1, 2043</u>		<u>Term Certificates Due September 1, 2046</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2041	\$ 355,000	September 1, 2044	\$ 410,000
September 1, 2042	370,000	September 1, 2045	430,000
September 1, 2043 (maturity)	390,000	September 1, 2046 (maturity)	450,000

The principal amount of Term Certificates required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Obligations, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Obligations to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE OBLIGATIONS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF SHALL CEASE TO ACCRUE, PROVIDED THAT MONIES FOR THE PAYMENT OF THE REDEMPTION PRICE AND THE INTEREST ACCRUED ON THE PRINCIPAL AMOUNT TO BE REDEEMED TO THE DATE OF REDEMPTION ARE HELD FOR THE PURPOSE OF SUCH PAYMENT BY THE PAYING AGENT/REGISTRAR.

With respect to any optional redemption of the Obligations, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Obligations to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Obligations and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Obligations have not been redeemed.

The Paying Agent/Registrar and the City, so long as a Book-Entry-Only System is used for the Obligations, will send any notice of redemption, notice of proposed amendment to the Ordinances or other notices with respect to the Obligations 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 Obligations called for redemption or any other action premised on any such notice. Redemption of portions of the Obligations by the City will reduce the outstanding principal amount of such Obligations held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Obligations held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Obligations from the beneficial owners. Any such selection of Obligations to be redeemed will not be governed by the Ordinances and will not be conducted by the City or the Paying Agent/Registrar. Neither the City nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Obligations or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Obligations selected for redemption (see "THE OBLIGATIONS - Book-Entry-Only System").

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Obligations is to be transferred and how the principal of and interest on the Obligations are to be paid to and credited by DTC while the Obligations are registered in the nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, 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 Obligations), 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 Obligations. The Obligations 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 Obligations, in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Obligations 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 Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participant to whose account such Obligations 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 Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement . . . In reading this Official Statement it should be understood that while the Obligations 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 Obligations, 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 Ordinances will be given only to DTC.

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

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

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

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued with respect to the Obligations, printed Obligations will be issued to the registered owners of the Obligations and thereafter such printed Obligations 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. Obligations may be assigned by the execution of an assignment form on the respective Obligations or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Obligations will be delivered by the Paying Agent/Registrar, in lieu of the Obligations 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 Obligations issued in an exchange or transfer of Obligations 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 Obligations 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 Obligations 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 Obligations 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 Obligations. Neither the City nor the Paying Agent/Registrar will be required to make any transfer, conversion, or exchange of an Obligation (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Obligation or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

PAYMENT PROVISIONS. . . Interest on the Obligations shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent by United States mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Obligations will be paid to the registered owner at the stated maturity or

earlier redemption of an Obligation upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under "Book-Entry-Only System" herein. If the date for the payment of the principal of or interest on the Obligations shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

RECORD DATE FOR INTEREST PAYMENT . . . The record date (the "Record Date") for determining the party to whom interest is payable on the Obligations on any interest payment date means the close of business on the fifteenth day of the month next preceding each interest payment date for the Obligations.

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

REPLACEMENT OBLIGATIONS. . . If any Obligation is mutilated, destroyed, stolen or lost, a new Obligation in the same principal amount as the Obligation so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Obligation, such new Obligation will be delivered only upon surrender and cancellation of such mutilated Obligation. In the case of any Obligation issued in lieu of and substitution for an Obligation which has been destroyed, stolen or lost, such new Obligation will be delivered only (a) upon filing with the Paying Agent/Registrar a certificate to the effect that such Obligation has been destroyed, stolen or lost and proof of ownership thereof, and (b) upon furnishing the Paying Agent/Registrar with indemnity satisfactory to hold the City and the Paying Agent/Registrar harmless. The person requesting the authentication and delivery of a new Obligation must pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

OBLIGATIONHOLDERS' REMEDIES. . . The Ordinances establish specific events of default with respect to the Obligations. If the City defaults in the payment of the principal of or interest on the Obligations when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners of the Obligations, including but not limited to, their prospect or ability to be repaid in accordance with the Ordinances, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the Ordinances provide that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus is controlled by equitable principles, and thus rests within the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinances do not provide for the appointment of a trustee to represent the interest of the Obligationholders upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition, and, accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) ("*Wasson*") that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. The Texas Supreme Court reviewed *Wasson* again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court has ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, Obligationholders may not be able to bring such a suit against the City for breach of the Obligations or Ordinances covenants. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Obligations. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Obligationholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce creditors' rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Ordinances and the Obligations are qualified with respect to the customary rights of debtors relative to their creditors, including principles of governmental immunity, and by general principles of equity which permit the exercise of judicial discretion.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Obligations, Assured Guaranty Inc. ("AG") will issue separate Municipal Bond Insurance Policies (each a "Policy" and collectively, the "Policies") for the Obligations. The Policy guarantees the scheduled payment of principal of and interest on the Obligations when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On August 4, 2025, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On June 30, 2025, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At December 31, 2025:

- The policyholders' surplus of AG was approximately \$3,249 million.
- The contingency reserve of AG was approximately \$1,511 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding

commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

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

Incorporation of Certain Documents by Reference

Portions of AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the Securities and Exchange Commission (the "SEC") on February 27, 2026 that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

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

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

Miscellaneous Matters

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

BOND INSURANCE RISKS

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

Payment of principal of and interest on the Obligations will not be subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist (see "THE OBLIGATIONS – Obligationholders' Remedies"). AG 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 Obligationholders.

In the event AG is unable to make payment of principal and interest as such payments become due under the Policy, the Obligations are payable solely from ad valorem taxes levied, within the limited prescribed by law, as further described in "THE OBLIGATIONS – Security and Source of Payment for the Obligations". In the event AG becomes obligated to make payments with respect to the Obligations, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Obligations.

The long-term ratings on the Obligations will be dependent in part on the financial strength of AG and its claims-paying ability. AG'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 AG and of the ratings on the Obligations, whether or not subject to the Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) of the Obligations (see "OTHER INFORMATION – Ratings").

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

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

TAX INFORMATION

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

VALUATION OF TAXABLE PROPERTY . . . The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the City is the responsibility of the Dallas Central Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

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

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

Through December 31, 2026, an appraisal district is prohibited from increasing the appraised value of real property during the 2025 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than \$5,160,000 (the "Maximum Property Value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property. After the 2025 tax year, through December 31, 2026 (unless extended by the Legislature), the Maximum Property Value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the Maximum Property Value. For the 2026 tax year, the Maximum Property Value was increased to \$5,320,000.

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

STATE MANDATED HOMESTEAD EXEMPTIONS . . . State law grants, with respect to each city in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action, and surviving spouses of first responders killed or fatally wounded in the line of duty.

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

The governing body of a school district, municipality, or county that adopted an exemption described in (1), above, for the 2022 tax year may not reduce the amount of or repeal the exemption through December 31, 2027.

LOCAL OPTION FREEZE FOR THE ELDERLY AND DISABLED . . . The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

PERSONAL PROPERTY . . . Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property. Effective January 1, 2026, a person is entitled to an exemption from taxation by a taxing unit of \$125,000 of the appraised value of the tangible personal property the person owns that is held or used for the production of income and has taxable situs at the same location in the taxing unit. A person who leases tangible personal property is also entitled to a tax exemption of \$125,000, regardless of where the property is located in the taxing unit.

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

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

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

OTHER EXEMPT PROPERTY . . . Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property. Beginning with the 2026 tax year, all intangible personal property is exempt from State taxation.

TAX INCREMENT REINVESTMENT ZONES . . . A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

TAX ABATEMENT AGREEMENTS . . . Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

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

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

Owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at \$62,883,169 for the 2026 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases (see "TAX INFORMATION – Public Hearing and Maintenance

and Operations Tax Rate Limitations"). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

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

PUBLIC HEARING AND MAINTENANCE AND OPERATIONS TAX RATE LIMITATIONS . . . The following terms as used in this section have the meanings provided below:

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

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

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

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

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

"unused increment rate" means the greater of zero and the rate expressed in dollars per \$100 of taxable value calculated by dividing (i) the cumulative difference of the foregone revenue amount, calculated using the difference between a city's voter-approval tax rate and its actual tax rate for each of the preceding three tax years, by (ii) the "current total value" as defined in Section 26.012 of the Property Tax Code, and which may be applied to a city's tax rate when calculating the voter-approval tax rate.

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

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

A city must annually calculate its "voter-approval tax rate" and "no-new-revenue tax rate" (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year. Furthermore, during the 89th Regular Session, the Legislature adopted Senate Bill 1851 ("SB 1851"), which will become effective in connection with the adoption of an ad valorem tax rate for tax year 2026 and thereafter. Under SB 1851, if the Texas Attorney General determines that a city has (a) not had its records and accounts audited and an annual financial statement prepared based on the audit or (b) failed to file its financial statements and auditor's opinion on such financial statements with the city secretary or city clerk before the 180th day after the city's fiscal year end, the city may not adopt an ad valorem tax rate that exceeds the city's no-new-revenue tax rate for (i) the tax year that begins on or after the date of the Attorney General's determination or (ii) a subsequent tax year that begins before the date the city has had an annual audit completed and financial statements prepared or filed the financial statement and auditor's opinion on such financial statement with the city secretary, as applicable.

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

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

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

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

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

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

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

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

DEBT TAX RATE LIMITATIONS . . . All taxable property within the City is subject to the assessment, levy, and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 4, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$1.50 per \$100 taxable assessed valuation for all City purposes. While State law does not require any particular allocation of the City's tax between debt service and operations, administratively, the Attorney General of the State will permit allocation of approximately \$1.00 of the maximum tax rate for all general obligation debt service, as calculated at the time of issuance based on a 90% collection rate.

2025 LEGISLATIVE SESSION . . . The regular session of the 89th Texas Legislature convened on January 14, 2025 and concluded on June 2, 2025 (the "89th Regular Session"). The Texas Legislature (the "Legislature") meets in regular session in odd numbered years for 140 days. When the Legislature is not in session, the Governor may call one or more special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. The Governor has called and the Legislature has concluded two special sessions since the conclusion of the 89th Regular Session.

During the 89th Regular Session, the Legislature adopted a general appropriations act and legislation affecting ad valorem taxation procedures and the procedures of issuing debt affecting cities among other legislation affecting cities. Adopted legislation affecting ad valorem taxation procedures includes legislation that (i) changes the procedure for the adoption of and imposes limits on the amount of an M&O tax increase that may be adopted in response to declared disasters, (ii) makes technical modifications to the tax rate setting process, and (iii) makes intangible personal property exempt from ad valorem taxation. The City is reviewing the impact of the legislation approved during the 89th Regular Session and the two called special sessions and cannot make any representations regarding the likelihood of future legislative sessions or the full impact of the legislation approved during the 89th Regular Session or the two called special sessions at this time.

THE CITY'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the City are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the City, having power to tax the property. The City's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or

takes priority over a tax lien of the City is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF TAX CODE . . . The City grants exemptions to the market value of the residential properties as follows: 10% residence homestead exemption, with a minimum exemption of \$5,000; an additional \$24,000 exemption on the residence homestead of persons 65 years of age or older and the disabled; and up to \$12,000 exemption on the residence homestead of disabled veterans.

See "Table 1 – Assessed Valuation and Exemption" for a listing of the amounts of the exemptions described above.

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

The City does not tax nonbusiness personal property; and the City taxes are collected by the Dallas County Tax Assessor Collector.

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

The City has exempted Freeport Property from ad valorem taxation.

The City has exempted Goods-in-Transit but has no "goods-in-transit" property at this time.

The City does not collect the additional sales tax for reduction of ad valorem taxes.

ECONOMIC DEVELOPMENT AGREEMENTS . . . The City has entered into several economic development agreements in the past and currently participates in a tax increment reinvestment zone. The City has the ability and authority to enter into subsequent economic development agreements in the future. Summaries of the City's incentive agreements are outlined below. See also "APPENDIX B – Excerpts from the City of Wilmer, Texas Annual Financial Report for the Year Ended September 30, 2025- Notes 2.E. and 2.F." for additional information regarding these economic incentives and the amount of taxes abated under these agreements; and see "Table 1 – Valuation, Exemptions and General Obligation Debt" for the estimated market value of property for which taxes were abated for Tax Year 2025.

TAX ABATEMENT POLICY . . . The City has established a tax abatement program to encourage economic development. In order to be considered for tax abatement, a project must meet several criteria pertaining to job creation and property value enhancement. The City currently has four tax abatement agreements, each with an abatement period of 10 years. For fiscal year ended September 30, 2025, the value of the abated property taxes totaled \$768,105.

CHAPTER 380 AGREEMENTS . . . Effective January 21, 2016, the City established an Economic Development Program for the Enhancement of City Sales Taxes, pursuant to Chapter 380 of the Texas Local Government Code. The Program provides for the City to provide economic development incentive funds to promote local economic development and to stimulate business and commercial activity in the City by encouraging businesses that will enhance City sales tax revenues to locate or maintain a place of business within the City. The City currently has two Chapter 380 Agreements described below.

Medline

The City adopted a resolution effective January 21, 2016, approving a Chapter 380 agreement with Medline Industries Holdings, L.P. (Medline), which has a term of twenty-one (21) Sales Tax Years and automatically renews for an additional twenty Sales Tax Years, provided the Agreement has not been terminated. As consideration for Medline's contractual obligations and subject to the conditions set forth in its 380 agreement with the City, the City, the Type A economic development corporation ("Type A") and Type B economic development corporation ("Type B") will make economic incentive payments, to Medline in an amount equal to 62.5% of the Sales Tax received by the City, Type A, and Type B from the sales attributed to Medline. Under the agreement, the City, Type A, and Type B must pay Medline on a quarterly basis after the Sales Tax is actually received from the Comptroller. Payments must be made by the 31st of October, 31st of January, 30th of April, and 31st of July each year during the agreement. The calculation of the incentive payment is based on the actual amount of Sales Tax distributed to the City, Type A, and Type B by the Comptroller (net of any discounts and administrative fees). The City, Type A and Type B are funding the agreement exclusively from the municipal sales and use tax and the additional municipal sales tax received under Texas Tax Code, Chapter

321 and the Development Corporation Act of 1979 (Texas Civil Statutes, Article 5190). The City's General Fund, Type A, and Type B granted Medline \$3,325,236, \$1,662,618 and \$1,662,618, respectively, in incentive payments for the period ending September 30, 2025.

Piret Acquisitions

The City adopted a resolution effective July 20, 2017, approving a Chapter 380 Agreement with PIRET Acquisitions USA LLC (PIRET) with a term of 10 years or the City has fully reimbursed PIRET pursuant to such agreement. Under the agreement, PIRET will construct wastewater improvements, of which a percentage of the construction costs will be reimbursed by the City. Upon completion of the improvements the City will pay PIRET, as an economic development grant, 50% of the ad-valorem taxes collected by the City from the PIRET property until the City's percentage of the construction costs is reimbursed. As construction of the improvements has not been completed by PIRET at September 30, 2025, no amounts were paid or due under the agreement.

TAX INCREMENT REINVESTMENT ZONE NO. 1 . . . On September 21, 2013, the City approved an Ordinance creating Tax Increment Reinvestment Zone ("TIRZ") Number 1 ("Zone 1") to fund a series of infrastructure improvements, which are needed to incentivize and accelerate the rate of development in Zone 1. On October 5, 2013, the City authorized the execution of a development agreement with Southport Logistics XT, L.P. (the "Company"), effective through the term of Zone 1 which will end on December 31, 2035. Under the agreement, the Company is to design and construct public improvements in the Zone. Following completion of the public improvements with funding provided by the Company, the City shall acquire the public improvements and reimburse the acquisition funding to the Company by the use of TIRZ increment funds (the "TIRZ Fund"). As of September 30, 2025, the unreimbursed costs due the Company totaled \$26,528,433. The agreement provides that nothing in the agreement obligates the City to provide reimbursements or payments to the Company from any other source of funds in the event there are insufficient funds in the TIRZ Fund or in the event Zone 1 terminates prior to payment in full of the accrued project costs. The agreement provides that upon termination of the agreement or the expiration of Zone 1, any remaining unreimbursed or unpaid costs, due to lack of availability of funds in the TIRZ Fund, will no longer be considered project costs or obligations of Zone 1, and any obligation of the City to provide reimbursement payments to the Developer for project costs automatically expires and terminates on such date. As of September 30, 2025, the TIRZ fund had a fund balance of \$32,066 after two payments were made to the Company that totaled \$582,000. The City anticipates that the property tax revenue derived from the tax increment in Zone 1 will be sufficient to fully reimburse the Company. For tax year 2025, the incremental value of the property in Zone 1 is \$413,787,855.

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TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2025/26 Market Valuation Established by Appraisal District		\$ 3,754,134,150
Less Exemptions/Reductions at 100% Market Value:		
Homestead Capped Value Loss	\$ 60,190,494	
Homestead	9,597,893	
Disabled Veterans	993,152	
Over 65	3,687,268	
Disabled Persons	962,420	
Abatement	177,743,265	
Freeport	237,807,978	
Pollution Control	41,280	
Agricultural Use Reductions	89,648,124	
Totally Exempt Property	<u>18,556,637</u>	<u>599,228,511</u>
2025/26 Taxable Assessed Valuation		\$ 3,154,905,639
Total General Obligation Debt as of May 1, 2026 ⁽¹⁾	\$ 16,918,000	
The Bonds	14,260,000	
The Certificates	<u>5,835,000</u>	
Total General Obligation Debt		\$ 37,013,000
General Obligation Interest and Sinking Fund as of April 1, 2026 (unaudited)		\$ 4,482,893
Ratio of General Obligation Tax Debt to Taxable Assessed Valuation		1.17%

2026 Estimated Population --	7,562
Per Capita Taxable Assessed Valuation --	\$417,205
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes --	\$4,895

(1) Excludes the Refunded Obligations.

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TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Assessed Value for Fiscal Year Ended September 30,					
	2026		2025		2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 235,401,510	6.27%	\$ 224,585,480	7.03%	\$ 190,369,170	7.44%
Real, Residential, Multi-Family	93,793,390	2.50%	56,291,030	1.76%	27,209,910	1.06%
Real, Vacant Lots/Tracts	104,180,910	2.78%	119,125,470	3.73%	93,424,390	3.65%
Real, Acreage (Land Only)	90,456,010	2.41%	69,822,050	2.19%	54,506,350	2.13%
Real, Farm and Ranch Improvements	668,250	0.02%	668,250	0.02%	606,220	0.02%
Real, Commercial and Industrial	2,109,767,070	56.20%	1,716,881,850	53.76%	1,138,789,560	44.53%
Real and Tangible Personal, Utilities	46,413,430	1.24%	40,741,000	1.28%	35,501,240	1.39%
Tangible Personal, Commercial	992,761,220	26.44%	949,503,900	29.73%	992,014,970	38.79%
Tangible Personal, Industrial	50,144,750	1.34%	907,250	0.03%	9,082,950	0.36%
Tangible Personal, Mobile Homes	18,913,360	0.50%	15,352,360	0.48%	15,804,900	0.62%
Real Property, Inventory	11,634,250	0.31%	22,920	0.00%	20	0.00%
Total Appraised Value Before Exemptions	\$ 3,754,134,150	100.00%	\$ 3,193,901,560	100.00%	\$ 2,557,309,680	100.00%
Less: Total Exemptions/Reductions	599,228,511		815,854,641		787,997,224	
Taxable Assessed Value	<u>\$ 3,154,905,639</u>		<u>\$ 2,378,046,919</u>		<u>\$ 1,769,312,456</u>	

Category	Taxable Assessed Value for Fiscal Year Ended September 30,			
	2023		2022	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 161,164,580	8.79%	\$ 111,580,390	8.26%
Real, Residential, Multi-Family	23,091,250	1.26%	17,847,450	1.32%
Real, Vacant Lots/Tracts	56,671,590	3.09%	45,336,830	3.36%
Real, Acreage (Land Only)	67,509,270	3.68%	64,091,760	4.75%
Real, Farm and Ranch Improvements	606,220	0.03%	1,258,610	0.09%
Real, Commercial and Industrial	794,612,820	43.36%	480,492,040	35.59%
Real and Tangible Personal, Utilities	32,541,260	1.78%	31,780,590	2.35%
Tangible Personal, Commercial	674,581,810	36.81%	576,230,080	42.68%
Tangible Personal, Industrial	8,824,270	0.48%	8,988,330	0.67%
Tangible Personal, Mobile Homes	13,116,410	0.72%	12,556,570	0.93%
Real Property, Inventory	10	0.00%	46,930	0.00%
Total Appraised Value Before Exemptions	\$ 1,832,719,490	100.00%	\$ 1,350,209,580	100.00%
Less: Total Exemptions/Reductions	600,894,795		543,951,829	
Taxable Assessed Value	<u>\$ 1,231,824,695</u>		<u>\$ 806,257,751</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Dallas County Appraisal District. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

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TAX AND ECONOMIC CONCENTRATION NOTE: As shown above, a substantial amount of the City’s tax base is concentrated in the commercial and industrial real estate and retail industries (e.g., land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure) and represents over 80% of the total assessed valuation of the City for the 2025/2026 tax year. As shown in Table 5 below, the top ten largest taxpayers in the City represent approximately 33% of the total taxable assessed valuation of the City for the 2025/2026 tax year (see “Table 5 – Ten Largest Taxpayers”).

Adverse developments in economic conditions, particularly in the real estate and retail industries, could adversely impact the businesses of these taxpayers, including the City’s largest taxpayers, and the tax values in the City, resulting in less local tax revenue. If any of these taxpayers were to relocate its business outside of the City or to default in the payment of their taxes, the City’s ability to make timely payment of all or part of the debt service on the Obligations may be adversely impacted and may be dependent on its ability to enforce and liquidate its tax liens. The City is currently unaware of any plans of any of the City’s ten largest taxpayers to relocate outside of the City or of indications of an impending default in the payment of their taxes.

Furthermore, a substantial amount of the City’s tax base is concentrated in wholesale suppliers and distribution centers. The valuation of distribution centers and other storage facilities within the State (such as those comprising a portion of the City’s tax base), as determined by their respective appraisal districts, have been subject to litigation related to the taxable value of such property. The City can make no representations as to whether any taxpayer will challenge their taxable valuation or the impact of any such challenge. Accordingly, the City makes no representation regarding the continued valuation of any of the property within the City or the generation of future tax revenues therefrom. See “TAX INFORMATION – Personal Property” for information regarding exemption from taxation for personal property passed during the 2025 Legislative Sessions. If any major taxpayer (or a combination of taxpayers) were to default in the payment of taxes, the ability of the City to timely pay debt service on the Obligations will be dependent on its ability to enforce and liquidate its tax lien (which, in the event of bankruptcy, certain laws may preclude until the automatic stay is lifted). Such process is time-consuming and can only occur annually. See “THE OBLIGATIONS – Obligationholders’ Remedies” and “TAX INFORMATION – City Application of Tax Code.”

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	G.O. Tax Debt Outstanding at End of Year	Ratio of G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2022	5,055	\$ 806,257,751	\$ 159,497	\$ 19,388,000	2.40%	3,835
2023	6,690	1,231,824,695	184,129	34,516,000	2.80%	5,159
2024	6,690	1,769,312,456	264,471	33,756,000	1.91%	5,046
2025	7,134	2,378,046,919	333,340	32,028,000	1.35%	4,489
2026	7,562	3,154,905,639	417,205	34,473,000 ⁽³⁾	1.09% ⁽³⁾	4,559 ⁽³⁾

(1) Source: City officials.

(2) As reported by the Appraisal District on the City’s annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Includes the Bonds and the Certificates. Excludes the Refunded Obligations.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy ⁽¹⁾	% Current Collections	% Total Collections
2022	\$0.5619	\$0.3999	\$0.1620	\$ 4,560,362	100.53%	101.04%
2023	0.4989	0.3372	0.1617	6,145,068	97.62%	97.62%
2024	0.4391	0.2791	0.1600	7,772,466	99.19%	99.01%
2025	0.4321	0.3065	0.1257	10,259,341	97.39%	96.08%
2026	0.4679	0.3260	0.1420	15,212,825	97.40% ⁽²⁾	97.40% ⁽²⁾

(1) Derived from information reported by the Appraisal District.

(2) Collections as of March 31, 2026.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2025/26 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Fulghum XT LLC	Wholesale Supplier	\$ 182,197,980	5.78%
John Hancock	Wholesale Supplier	115,400,000	3.66%
Tradepoint 45 West Owner LLC	Wholesale Supplier	110,817,260	3.51%
Proctor & Gamble Distributing LLC	Wholesale Supplier	107,619,359	3.41%
GVP TC Wilmer Property Owner	Real Estate	99,000,000	3.14%
LPC I Property	Real Estate	92,322,720	2.93%
LPC III Property	Real Estate	89,384,960	2.83%
Zagam LLC	Wholesale Supplier	87,857,690	2.78%
500 South Millers Ferry	Wholesale Supplier	87,720,000	2.78%
Southport Logistics Owner LP	Real Estate	79,520,050	2.52%
		\$ 1,051,840,019	33.34%

Source: Appraisal District.

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law (however, see "THE OBLIGATIONS - Tax Rate Limitation").

TABLE 6 - ESTIMATED OVERLAPPING DEBT

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

	2025/26 Taxable Assessed Valuation	Tax Rate	Total G.O. Tax as of 5/1/2026	Estimated %	City's Overlapping G.O. Tax Debt as of 5/1/2026
City of Wilmer	\$ 3,154,905,639	\$ 0.4679	\$ 37,013,000 ⁽¹⁾	100.00%	\$ 37,013,000
Dallas County	431,262,107,822	0.2155	179,530,000	0.64%	1,148,992
Dallas County CCD	442,387,303,922	0.1066	217,720,000	0.64%	1,393,408
Dallas County Hospital District	432,204,873,000	0.2120	511,285,000	0.64%	3,272,224
Dallas ISD	204,550,353,870	0.9938	5,427,295,000	1.37%	74,353,942
Ferris ISD	1,097,192,741	1.2308	71,232,629	1.42%	1,011,503
Lancaster ISD	6,377,791,331	1.2244	122,975,000	0.08%	98,380
Total Direct and Overlapping G. O. Tax Debt					\$ 118,291,449
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					3.75%
Per Capita Overlapping G. O. Tax Debt					\$ 15,643

(1) Excludes the Refunded Obligations. Includes the Bonds and the Certificates.

TABLE 7 – TAX ADEQUACY⁽¹⁾

2026 Net Principal and Interest Requirements	\$ 3,674,235
\$0.1201 Tax Rate at 97.0% Collection Produces	\$ 3,674,452
Average Net Principal and Interest Requirements (2026-2046)	\$ 2,412,588
\$0.0788 Tax Rate at 97.0% Collection Produces	\$ 2,412,708
Maximum Net Principal and Interest Requirements, (2027)	\$ 4,233,045
\$0.1383 Tax Rate at 97.0% Collection Produces	\$ 4,233,256

(1) Excludes the Refunded Obligations. Includes the Bonds and the Certificates.

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DEBT INFORMATION

TABLE 8 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 30-Sep	Outstanding Debt Service ⁽¹⁾			The Bonds			The Certificates			Net General Obligation Debt Service	% of Principal Retired
	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S		
2026	\$ 2,040,000	\$ 959,946	\$ 2,999,946	\$ 500,000	\$ 174,289	\$ 674,289	\$ -	\$ -	\$ -	\$ 3,674,235	
2027	2,248,000	548,978	2,796,978	275,000	688,000	963,000	110,000	363,067	473,067	4,233,045	
2028	2,600,000	481,175	3,081,175	-	674,250	674,250	190,000	286,250	476,250	4,231,675	
2029	655,000	423,500	1,078,500	1,225,000	674,250	1,899,250	200,000	276,750	476,750	3,454,500	
2030	680,000	397,300	1,077,300	1,280,000	613,000	1,893,000	205,000	266,750	471,750	3,442,050	32.98%
2031	705,000	370,100	1,075,100	1,350,000	549,000	1,899,000	215,000	256,500	471,500	3,445,600	
2032	745,000	334,850	1,079,850	1,415,000	481,500	1,896,500	230,000	245,750	475,750	3,452,100	
2033	780,000	297,600	1,077,600	1,485,000	410,750	1,895,750	240,000	234,250	474,250	3,447,600	
2034	820,000	258,600	1,078,600	1,560,000	336,500	1,896,500	250,000	222,250	472,250	3,447,350	
2035	850,000	225,800	1,075,800	1,645,000	258,500	1,903,500	265,000	209,750	474,750	3,454,050	66.90%
2036	885,000	191,800	1,076,800	1,720,000	176,250	1,896,250	275,000	196,500	471,500	3,444,550	
2037	920,000	156,400	1,076,400	1,805,000	90,250	1,895,250	290,000	182,750	472,750	3,444,400	
2038	960,000	119,600	1,079,600	-	-	-	305,000	168,250	473,250	1,552,850	
2039	995,000	81,200	1,076,200	-	-	-	320,000	153,000	473,000	1,549,200	
2040	1,035,000	41,400	1,076,400	-	-	-	335,000	137,000	472,000	1,548,400	93.50%
2041	-	-	-	-	-	-	355,000	120,250	475,250	475,250	
2042	-	-	-	-	-	-	370,000	102,500	472,500	472,500	
2043	-	-	-	-	-	-	390,000	84,000	474,000	474,000	
2044	-	-	-	-	-	-	410,000	64,500	474,500	474,500	
2045	-	-	-	-	-	-	430,000	44,000	474,000	474,000	98.78%
2046	-	-	-	-	-	-	450,000	22,500	472,500	472,500	100.00%
	<u>\$ 16,918,000</u>	<u>\$ 4,888,249</u>	<u>\$ 21,806,249</u>	<u>\$ 14,260,000</u>	<u>\$ 5,126,539</u>	<u>\$ 19,386,539</u>	<u>\$ 5,835,000</u>	<u>\$ 3,636,567</u>	<u>\$ 9,471,567</u>	<u>\$ 50,664,355</u>	

(1) Excludes the Refunded Obligations.

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

General Purpose Net Debt Service Requirements, Fiscal Year 2026 ⁽¹⁾		\$ 3,674,235
Interest and Sinking Fund Balance, Fiscal Year Ending 9/30/2025	\$ 630,697	
Budgeted Interest and Sinking Fund Tax Levy, Fiscal Year 2026	<u>4,487,246</u>	
	\$ 5,117,943	
Estimated Fund Balance, Fiscal Year Ending 9/30/2026		\$ 1,443,708

(1) Excludes the Refunded Obligations. Includes the Bonds and the Certificates.

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS . . . The City has no authorized but unissued bonds.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT The City does not anticipate the issuance of additional general obligation debt within the next 12 months.

TABLE 10 - OTHER OBLIGATIONS . . . The City purchased emergency equipment under a lease purchase agreement. The interest on the lease was 8.5%.

The asset acquired through the capital lease is as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and equipment	\$ 460,745
Less: Accumulated depreciation	<u>\$ (153,582)</u>
Total	<u>\$ 307,163</u>

As of September 30, 2025, this lease requires 5 annual payments of \$65,821.

Public Property Finance Contractual Obligation

	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Balance 9/30/2025</u>
Public Property Finance (PPF) Contractual Obligation 2024	\$ 1,315,000	9/1/2035	4.630%	\$ 1,315,000

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FINANCIAL INFORMATION

TABLE 11 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Years Ended September 30,				
	2025	2024	2023	2022	2021
<u>Revenues:</u>					
Property Taxes	\$ 7,132,642	\$ 4,975,372	\$ 4,226,866	\$ 3,285,312	\$ 2,300,037
Sales Taxes	6,303,911	6,114,390	6,016,340	4,755,413	3,753,554
Franchise Taxes	414,312	331,088	378,159	128,197	257,961
Alcoholic Beverage Taxes	6,232	5,806	5,625	4,228	3,675
Licenses and Permits	1,012,301	2,104,587	772,760	1,040,556	440,277
Fines and Forfeitures	816,310	845,970	740,830	874,030	717,413
Charges for Current Services	706,419	526,486	456,380	421,289	412,654
Other Revenue	568,366	445,970	322,742	161,267	252,817
Intergovernmental	-	815	-	593,721	654,882
Total Revenues	<u>\$ 16,960,493</u>	<u>\$ 15,350,484</u>	<u>\$ 12,919,702</u>	<u>\$ 11,264,013</u>	<u>\$ 8,793,270</u>
<u>Expenditures:</u>					
General Government	\$ 7,950,365	\$ 5,866,889	\$ 5,295,592	\$ 2,884,004	\$ 3,061,718
Public Safety	8,357,448	7,403,488	6,283,031	5,317,909	4,058,248
Community Services	163,225	178,188	192,400	218,279	190,595
Community Development	778,906	664,659	869,878	764,421	662,552
Principal, Interest & Fiscal Charges	-	-	-	-	-
Capital Outlay	3,029,345	-	534,337	-	-
Total Expenditures	<u>\$ 20,279,289</u>	<u>\$ 14,113,224</u>	<u>\$ 13,175,238</u>	<u>\$ 9,184,613</u>	<u>\$ 7,973,113</u>
Excess (deficiency) of Revenue Over Expenditures	\$ (3,318,796)	\$ 1,237,260	\$ (255,536)	\$ 2,079,400	\$ 820,157
Other Financing Sources					
Transfers In (Out)	5,092,359	-	(4,308,968)	520,197	-
Debt proceeds	1,315,000	-	-	-	-
Total Other Sources (Uses)	<u>\$ 6,407,359</u>	<u>\$ -</u>	<u>\$ (4,308,968)</u>	<u>\$ 520,197</u>	<u>\$ -</u>
Net Changes In Fund Balance	\$ 3,088,563	\$ 1,237,260	\$ (4,564,504)	\$ 2,599,597	\$ 820,157
Beginning Fund Balance	<u>\$ 667,032</u>	<u>\$ (570,228)</u>	<u>\$ 3,994,276</u>	<u>\$ 1,394,679</u>	<u>\$ 574,522</u>
Prior period adjustments	(468,150)	-	-	-	-
Ending Fund Balance	<u>\$ 3,287,445</u>	<u>\$ 667,032</u>	<u>\$ (570,228)</u>	<u>\$ 3,994,276</u>	<u>\$ 1,394,679</u>

TABLE 12 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. The voters of the City approved the imposition of an additional sales and use tax of one-half percent (0.50%) for the benefit of the Wilmer 4A Development Corporation and an additional one-half percent (0.50%) for the benefit of the Wilmer 4B Development Corporation (collectively, the "Corporations"). See "TAX INFORMATION – Chapter 380 Agreements" for information regarding the pledge of sales tax revenues from the Corporations and the City to contractual obligations. The collective 1% sales and use tax for economic development is collected solely for the benefit of the Corporations and may be pledged to secure payment of sales tax revenue bonds issued by the Corporations, but may not be pledged to payment on the Obligations. The current sales and use tax rates within the City total 2%, which is the maximum amount permitted by State law. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. **Sales and use tax proceeds are not pledged to payment of the Obligations and are not available to pay debt service on the Obligations.**

<u>Calendar Year</u>	<u>Total Collected ⁽¹⁾</u>	<u>Ad Valorem Tax Levy</u>	<u>Ad Valorem Tax Rate</u>	<u>Per Capita ⁽³⁾</u>
2022	\$ 4,457,228	97.74%	\$ 0.5528	\$ 881.75
2023	5,866,410	95.47%	0.4762	876.89
2024	6,240,120	80.28%	0.3527	932.75
2025	6,046,380	58.94%	0.2543	847.54
2026	4,226,397 ⁽²⁾	27.78%	0.1340	558.90

(1) As reported by the MAC. Does not include 4A or 4B.

(2) Collections through April 2026.

(3) Source: City of Wilmer.

FINANCIAL POLICIES

Basis of Accounting. . . All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

General Fund Balance . . .The General Fund is the operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Budgetary Procedures . . .The official city budget is prepared for adoption for the Governmental Fund Type and the Proprietary Fund Type during the month of September.

Pension Plan . . .The City participates as one of over 900 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System ("TMRS"). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employee retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advise and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com. See "APPENDIX B – Excerpts from the City's Annual Financial Report" and the notes thereto.

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law, including particularly Texas Government Code, Chapter 2256, as amended (the "PFIA"), in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law and subject to certain limitations, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations issued and secured by a federal agency or instrumentality of the United States; (4) other obligations unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities; (5) "A" or better rated obligations of states, agencies, counties, cities, and other political subdivisions of any state; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) federally insured interest-bearing bank deposits, brokered pools of such deposits, and collateralized certificates of deposit and share certificates; (8) fully collateralized U.S. government securities repurchase agreements; (9) one-year or shorter securities lending agreements secured by obligations described in clauses (1) through (7) above or (11) through (14) below or an irrevocable letter of credit issued by an "A" or better

rated state or national bank; (10) 270-day or shorter bankers' acceptances, if the short-term obligations of the accepting bank or its holding company are rated at least "A-1" or "P-1"; (11) commercial paper rated at least "A-1" or "P-1"; (12) SEC-registered no-load money market mutual funds that are subject to SEC Rule 2a-7; (13) SEC-registered no-load mutual funds that have an average weighted maturity of less than two years; (14) "AAA" or "AAAm"-rated investment pools that invest solely in investments described above; (15) aggregate repurchase agreement transactions entered into by an investing entity in conformity with the provisions of subsection (a-1), (f) and (g) of Section 2256.011 of the PFLA; and (16) in the case of bond proceeds, guaranteed investment contracts that are secured by obligations described in clauses (1) through (7) above and, except for debt service funds and reserves, have a term of 5 years or less.

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

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

INVESTMENT POLICIES . . . Under State law, the City is required to adopt and annually review written investment policies and must invest its funds in accordance with its policies. The policies must identify eligible investments and address investment diversification, yield, maturity, and the quality and capability of investment management. For investments whose eligibility is rating dependent, the policies must adopt procedures to monitor ratings and liquidate investments if and when required. The policies must require that all investment transactions settle on a delivery versus payment basis. The City must adopt a written investment strategy for each fund group to achieve investment objectives in the following order of priority: (1) suitability, (2) preservation and safety of principal, (3) liquidity, (4) marketability, (5) diversification, and (6) yield.

State law requires the City's investments 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." The City is required to perform an annual audit of the management controls on investments and compliance with its investment policies and provide regular training for its investment officers.

TABLE 13- CURRENT INVESTMENTS

As of February 28, 2026, the City's investable funds were invested in the following categories:

Description	Market Value	% of Portfolio
Regions Bank	\$ 5,287,720	13.15%
Commercial State Bank	10,818,121	26.91%
Logic	15,951,232	39.68%
TexStar	8,144,630	20.26%
	\$ 40,201,703	100.00%

TAX MATTERS

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

In the opinion of Jackson Walker LLP, Special Tax Counsel to the City ("Special Tax Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Special Tax Counsel is of the further opinion that interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. Special Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations. The proposed form of opinion of Special Tax Counsel is set forth in APPENDIX D hereto.

To the extent the issue price of any maturity of the Obligations is less than the amount to be paid at maturity of such Obligations (excluding amounts stated to be interest and payable at least annually over the term of such Obligations), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Obligations which is excluded from gross income for federal income tax purposes. For this purpose, the issue price

of a particular maturity of the Obligations is the first price at which a substantial amount of such maturity of the Obligations is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Obligations accrues daily over the term to maturity of such Obligations on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Obligations to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Obligations. Beneficial Owners of the Obligations should consult their own tax advisors with respect to the tax consequences of ownership of Obligations with original issue discount, including the treatment of Beneficial Owners who do not purchase such Obligations in the original offering to the public at the first price at which a substantial amount of such Obligations is sold to the public.

Obligations purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Obligations") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Obligations, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Certificate, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Obligations should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Obligations. The City has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Obligations will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Obligations being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Obligations. The opinion of Special Tax Counsel assumes the accuracy of these representations and compliance with these covenants. Special Tax Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Tax Counsel's attention after the date of issuance of the Obligations may adversely affect the value of, or the tax status of interest on, the Obligations. Accordingly, the opinion of Special Tax Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Special Tax Counsel is of the opinion that interest on the Obligations is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Obligations may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Special Tax Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Obligations to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Tax Counsel is expected to express no opinion.

The opinion of Special Tax Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Tax Counsel's judgment as to the proper treatment of the Obligations for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Tax Counsel cannot give and has not given any opinion or assurance about the future activities of the City or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinances, the City has made the following agreement for the benefit of the registered and beneficial owners of the Obligations. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually and timely notice of specified events to the Municipal Securities Rulemaking Board ("MSRB"). This information will be publicly available on the MSRB's Electronic Municipal Market Access System ("EMMA") at <http://emma.msrb.org/>.

ANNUAL REPORTS. . . The City will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 5 and 7 through 13 and in Appendix B, which is the City's annual audited financial report. The City will update and provide the information in the numbered tables within six months after the end of each fiscal year ending in and after 2026 and, if not submitted as part of such annual financial information, the City will provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in and after 2026. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City will 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 City's current fiscal year end is September 30. Accordingly, the City must provide updated information included in the above-referenced tables by the last day of March in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data as set forth above.

All financial information, operating data, financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided as set forth above may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Website or filed with the Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

EVENT NOTICES . . . The City will provide notice in a timely manner not in excess of ten business days after the occurrence of any of the following events with respect to the Obligations, as applicable: (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 Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) Obligation calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Obligations, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; (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 City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the City, any of which reflect financial difficulties. As used above in item (12), the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if jurisdiction has been assumed by leaving the existing City Council and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. Neither the Obligations nor the Ordinances make any provision for debt service reserves, liquidity enhancement or credit enhancement, although the City is soliciting bids for bond insurance. For the purposes of the above describe event notices (15) and (16), the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

In addition, the City will provide timely notice of any failure by the City to provide financial information or operating data in accordance with its agreement described above under "Annual Reports."

AVAILABILITY OF INFORMATION . . . The City has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge via EMMA at www.emma.msrb.org.

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

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an Underwriter to purchase or sell Obligations 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 Obligations consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the registered and beneficial owners of the Obligations. The City may also amend or repeal the provisions of its 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 Obligations in the primary offering of the Obligations. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City has complied in all material respects with its prior continuing disclosure undertakings made in accordance with the Rule, except as follows. On December 22, 2022, the City privately placed \$15,850,000 Combination Tax and Revenue Certificates of Obligation, Series 2022. Notice of this private placement was filed on April 24, 2023. On June 29, 2021, the City privately placed \$6,225,000 Limited Tax Note, Taxable Series 2021. Notice of this private placement was filed on April 29, 2026. The City has taken steps to timely provide material event filings.

OTHER INFORMATION

RATINGS . . . The Obligations are expected to be rated "AA" (stable outlook) by S&P Global Ratings, a division of Standard and Poor's Financial Services LLC ("S&P") by virtue of a municipal bond insurance policy to be issued concurrently by Assured Guaranty Inc. upon delivery of the Obligations to the Underwriter. The Obligations are also rated "A+" (stable outlook) by S&P without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflects only the view of such companies and the City 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 such rating companies, if in the judgment of such companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Obligations.

LITIGATION . . . It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations. There is no litigation pending, or to the best knowledge of the City threatened against or affecting the City, to restrain or enjoin the issuance, sale or delivery of the Obligations or the levy and collection of taxes or other amounts to pay the same, or in any way contesting or affecting the validity of the Obligations or any proceedings or authority of the City taken with respect to the authorization, issuance or sale of the Obligations or contesting the corporate existence or boundaries of the City.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE . . . The sale of the Obligations 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 Obligations have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Obligations been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Obligations under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations 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 Obligations 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. With respect to investment in the Obligations by municipalities or other political subdivisions or public agencies of the State, the Texas Public Funds Investment Act requires that the Obligations 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 Obligations are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Obligations are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Obligations are legal investments for various institutions in those states.

LEGAL OPINIONS . . . The City will furnish to the Underwriter a complete transcript of proceedings incident to the authorization and issuance of the Obligations, including the unqualified approving legal opinion of the Attorney General of Texas approving the respective Initial Obligations and to the effect that the Obligations are valid and legally binding obligations of the City, and based upon an examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect. The City will also furnish an opinion of Special Tax Counsel to the effect that the interest on the Obligations will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations. 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 "PLAN OF FINANCING" (excluding the information under the subcaption "Sources and Uses of Bond Proceeds" and "Sources and Uses of Certificate Proceeds"), "THE OBLIGATIONS" (excluding the information under the subcaptions "Book-Entry-Only System" and "Obligationholders' Remedies" and the last sentence under "Tax Rate Limitation"), and "CONTINUING DISCLOSURE OF INFORMATION" (excluding the information under the subcaption "Compliance with Prior Undertakings") and the subcaptions "Legal Opinions" (except for the last sentence of the first paragraph thereof), "Registration and Qualification of Obligations for Sale" and "Legal Investments and Eligibility to Secure Public Funds in Texas" under the caption "OTHER INFORMATION" in the Official Statement, and such firm is of the opinion that the information

relating to the Obligations and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Obligations, such information conforms to the Ordinances. Special Tax 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 Special Tax Counsel, such firm has reviewed the information under the captions "TAX MATTERS" in the Official Statement, and such firm is of the opinion that the information relating to the Obligations and the legal issues contained under such caption is an accurate and fair description of the laws and legal issues addressed therein. The legal fee to be paid to Bond and Special Tax Counsel for services rendered in connection with the issuance of the Obligations is contingent on the sale and delivery of the Obligations. Bond and Special Tax Counsels' legal opinions will accompany the Obligations deposited with DTC or will be printed on the Obligations in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriter by its counsel Bracewell LLP, Dallas, Texas, whose fee is also contingent on the sale and delivery of the Obligations.

The various legal opinions to be delivered concurrently with the delivery of the Obligations 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.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS . . . The Verification Agent will deliver to the City, on or before the Settlement Date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Obligations and (b) mathematical computations of yield. The Verification Agent relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the City. In addition, the Verification Agent has relied on any information provided to it by the City's retained advisors, consultants or legal counsel.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION . . . The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and 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 statement of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

MUNICIPAL ADVISOR . . . Hilltop Securities Inc., is employed as Municipal Advisor to the City in connection with the issuance of the Obligations. The Municipal Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. The Municipal Advisor has agreed, in its Municipal Advisory contract, not to bid for the Obligations, either independently or as a member of a syndicate organized to submit a bid for the Obligations. Hilltop Securities Inc., in its capacity as Municipal Advisor, 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 Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

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

UNDERWRITER . . . The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the City at a price equal to the initial offering prices to the public, as shown on page 2 hereof, less an underwriting discount of \$78,191.64. The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has agreed, subject to certain conditions, to purchase the Certificates from the City at a price equal to the initial offering prices to the public, as shown on page 4 hereof, less an underwriting discount of \$36,729.67. The Underwriter will be obligated to purchase all of the Certificates if any Certificates are purchased. The Certificates to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Certificates into investment trusts) at prices lower than the public offering prices of such Certificates, and such public offering prices may be changed, from time to time, by the Underwriter.

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

The Underwriter is BOK Financial Securities, Inc., which is not a bank, and the Obligations 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 City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

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

MISCELLANEOUS . . . The financial data and other information contained herein have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and 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 Ordinances approved the form and content of this Official Statement, and any addenda, supplement or amendment hereto, and authorized its further use in the reoffering of the Obligations by the Underwriter.

/s/ SHEILA PETTA
Mayor
City of Wilmer, Texas

ATTEST:

/s/ KRISTIN DOWNS
City Secretary
City of Wilmer, Texas

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATIONS

Combination Tax and Revenue Certificates of Obligation, Series 2022

Original Dated Date	Original Maturity (Sep. 1)	Interest Rate	Principal Amount Outstanding	Principal Amount Redeemed	Principal Amount Remaining	Redemption Date
12/1/2022	2026	4.810%	\$ 315,000	\$ 315,000	\$ -	7/6/2026
	2027	4.810%	315,000	315,000	-	7/6/2026
	2028	4.810%	315,000	315,000	-	7/6/2026
	2029	4.810%	1,295,000	1,295,000	-	7/6/2026
	2030	4.810%	1,355,000	1,355,000	-	7/6/2026
	2031	4.810%	1,425,000	1,425,000	-	7/6/2026
	2032	4.810%	1,490,000	1,490,000	-	7/6/2026
	2033	4.810%	1,560,000	1,560,000	-	7/6/2026
	2034	4.810%	1,635,000	1,635,000	-	7/6/2026
	2035	4.810%	1,720,000	1,720,000	-	7/6/2026
	2036	4.810%	1,800,000	1,800,000	-	7/6/2026
	2037	4.810%	1,885,000	1,885,000	-	7/6/2026
			<u>\$ 15,110,000</u>	<u>\$ 15,110,000</u>	<u>\$ -</u>	

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

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THE CITY

THE CITY

Wilmer is located in southeast Dallas County, about 14 miles south of downtown Dallas, along both sides of Interstate Highway 45. Wilmer is located in the southeastern corner of Dallas County, west of the Trinity River. The center of town is roughly at the intersection of Interstate Highway 45, and Belt Line Road. Two cities adjoin Wilmer, Hutchins on the north and Lancaster on the west. Wilmer is one of 211 cities that lie within the 13 county Dallas-Ft. Worth-Arlington Metropolitan Statistical Area. The Dallas Independent School District serves the City.

THE COUNTY

Dallas County is a national center for insurance, banking, transportation, electronics, data processing, conventions and trade shows. More than 3,000 manufacturing plants produce such goods as building materials, apparel, food, aviation equipment, oil fields supplies and silicon products. The principal sources of agricultural income are sorghum, wheat, hay, vegetables and livestock. Higher education facilities located within a 35 mile radius of the City include Southern Methodist University, University of North Texas at Dallas, Texas Christian University, University of Dallas, University of Texas at Arlington, University of Texas at Dallas, Dallas Baptist University, Dallas County Community College District, and Paul Quinn College.

LABOR FORCE

Dallas County Employment figures, as reflected by the Texas Workforce Commission, are as follows:

	February 2026	Average Annual			
		2025	2024	2023	2022
Civilian Labor Force	1,435,719	1,438,197	1,433,463	1,400,967	1,380,726
Total Employment	1,374,328	1,379,205	1,375,000	1,344,877	1,327,910
Total Unemployment	61,391	58,992	58,463	56,090	52,816
Percent Unemployed	4.3%	4.1%	4.1%	4.0%	3.8%

Source: Texas Employment Commission.

MAJOR EMPLOYERS

Employer	Number of Employees
T1 Energy	1,400
Medline	800
Amazon	500
Proctor & Gamble	500
Ace Hardware Distribution Center	345
Schneider Carriers	100
Nike / DHL	250
Sprouts Farmers Market Distribution Center	150
Smucker's Distribution Center	150
Kohler	150
Crate & Barrel	150

Source: City officials.

APPENDIX B

EXCERPTS FROM THE
CITY'S ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2025

The information contained in this Appendix consists of excerpts from the City of Wilmer, Texas Annual Financial Report ("Report") for the Year Ended September 30, 2025, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

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City of Wilmer
Serving Our Community

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED SEPTEMBER 30,
2025



CITY OF WILMER, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2025

TABLE OF CONTENTS

INTRODUCTORY SECTION (Unaudited)	<u>PAGE</u>	<u>Exhibit</u>
List of Principal Officers	i	
City Executive Staff	ii	
 FINANCIAL SECTION		
Independent Auditors' Report	1 - 3	
Management's Discussion and Analysis (unaudited)	4 - 11	
 Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	12	A-1
Statement of Activities	13	A-2
Fund Financial Statements:		
Government Fund Financial Statements		
Balance Sheet	14	A-3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15	A-4
Statement of Revenue, Expenditures, and Changes in fund Balances	16	A-5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17	A-6
Proprietary Fund Financial Statements		
Statement of Net Position	18	A-7
Statement of Revenues, Expenses, and Changes in Net Position	19	A-8
Statement of Cash Flows	20	A-9
Notes to the Financial Statements	21 - 55	

PAGE **Exhibit**

Required Supplementary Information:

Schedule of Revenues and Expenditures - Budget and Actual - Major Governmental Funds - General Fund	56	B -1
Schedule of Revenues and Expenditures - Budget and Actual - Major Governmental Funds - Court Security Fees	57	B-2
Schedule of Revenues and Expenditures - Budget and Actual - Major Governmental Funds - Court Technology Fees	58	B-3
Schedule of Revenues and Expenditures - Budget and Actual - Major Governmental Funds – Capital Projects	59	B-4
Schedule of Revenues and Expenditures - Budget and Actual - Major Governmental Funds – Debt Service	60	B-5
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	61	B-6
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios	63	B-7

Individual Fund Financial Statements and Schedule:

Combining Balance Sheet - Nonmajor Governmental Funds	64	C-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	65	C-2
Schedule of Revenues and Expenses - Budget and Actual - Enterprise Fund -Water and Sewer Fund	66	C-3

Component Unit Financial Statements:

Combining Statement of Net Position – Discretely Presented Component Units	67	C-4
Combining Statement of Activities – Discretely Presented Component Units	68	C-5
Combining Balance Sheet – Discretely Presented Component Units	69	C-6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Discretely Presented Component Units	70	C-7

**City of Wilmer, Texas
List of Principal Officers**

City Council

Sheila Petta	Mayor	Term Expires May 2026
Phyllis Slough	Mayor Pro Tem	Term Expires May 2027
Laura Jacobs	Council Member, At large	Term Expires May 2026
Sergio Campos	Council Member, At Large	Term Expires May 2026
Kim Turner	Council Member, At Large	Term Expires May 2027
Linda Diane Nelon	Council Member, At Large	Term Expires May 2027

City of Wilmer, Texas
City Executive Staff

Rona Stringfellow
Kristin Downs
Michael Halla
David Gifford
Wayne McCurley
Patricia Albrecht
Victor Kemp

City Administrator
City Secretary
City Attorney
Fire Chief
Public Works Director
Consulting Finance Director
Police Chief

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Wilmer, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilmer, Texas (the City), as of and for the year ended September 30, 2025, 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilmer, Texas as of September 30, 2025, 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) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 (pages 4-11), the major Funds budgetary comparison information (pages 56-60), the Texas Municipal Retirement System Schedule of Changes in Net Pension Liability Asset) and Related Ratios (page 61) and the Texas Municipal Retirement System Schedule of Changes in OPEB Liability (Asset) and Related Ratios (page 63) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements and discretely presented component units, and the budgetary comparison schedule – enterprise fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Jox, Byrd + Company, P.C.

Dallas, Texas

February 19, 2026

CITY OF WILMER TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Wilmer, Texas, 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, 2025

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$35,339,985 (net position). Of this amount, \$21,090,320 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$627,593 primarily due to increases in property and sales taxes received by the City during the year.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$13,450,757, a decrease of \$18,026,912 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,225,895 or approximately 15.91 % of the total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements 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 financial information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and cultural and recreational. The business-type activities of the City include water and sewer operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation and a legally separate community development corporation for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12-13 of this report.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in 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 statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains seven 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, Debt Service fund and Capital Projects fund, which are considered to be major funds. The Court Security Fees fund, Court Technology Fees fund, Police Seizure fund and Special Revenue fund data are combined into a single aggregated presentation. See Exhibits C-1 and C-2.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the enterprise fund to account for the activities of the water and sewer operations.

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 since it is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-55 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's Budget Comparison Schedules for the General fund, the Court Security Fees fund, the Court Technology Fees fund, the Capital Projects fund and the Debt Service fund and progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found on pages 56-63 of this report.

This report also presents individual fund financial statements and schedule in connection with the nonmajor governmental funds and water and sewer fund. These statements and schedule can be found on pages 64-66 of this report.

In addition, this report presents fund financial statements in connection with the Wilmer Economic Development Corporation and Wilmer Community Development Corporation. These individual fund financial statements can be found on pages 67-70 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$35,339,985 at the close of the most recent fiscal year.

CITY OF WILMER, TEXAS COMPARATIVE STATEMENTS OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
ASSETS						
Current and other assets	\$ 26,587,738	\$ 46,387,705	\$ 4,193,144	\$ 3,243,544	\$ 30,780,882	\$ 49,631,249
Capital assets, net	<u>35,051,692</u>	<u>23,010,993</u>	<u>24,544,723</u>	<u>17,319,320</u>	<u>59,596,415</u>	<u>40,330,313</u>
Total Assets	<u>61,639,430</u>	<u>69,398,698</u>	<u>28,737,867</u>	<u>20,562,864</u>	<u>90,377,297</u>	<u>89,961,562</u>
Deferred outflows of resources	557,312	456,484	87,521	84,359	644,833	540,843
LIABILITIES						
Other liabilities	15,895,125	15,615,948	2,455,396	2,053,987	18,350,521	17,669,935
Long-term debt	<u>34,068,934</u>	<u>36,226,266</u>	<u>3,235,462</u>	<u>3,366,798</u>	<u>37,304,396</u>	<u>39,593,064</u>
Total Liabilities	<u>49,964,059</u>	<u>51,842,214</u>	<u>5,690,858</u>	<u>5,420,785</u>	<u>55,654,917</u>	<u>57,262,999</u>
Deferred inflows of resources	<u>20,720</u>	<u>72,151</u>	<u>6,508</u>	<u>14,521</u>	<u>27,228</u>	<u>86,672</u>
NET POSITION						
Net investment in capital assets	(59,418)	2,885,431	12,564,947	12,564,947	12,505,529	15,450,378
Restricted	1,744,136	1,978,971	-	-	1,744,136	1,978,971
Unrestricted	<u>10,527,245</u>	<u>13,076,415</u>	<u>10,563,075</u>	<u>2,646,970</u>	<u>21,090,320</u>	<u>15,723,385</u>
Total Net Position	<u>\$ 12,211,963</u>	<u>\$ 17,940,817</u>	<u>\$ 23,128,022</u>	<u>\$ 15,211,917</u>	<u>\$ 35,339,985</u>	<u>\$ 33,152,734</u>

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

A large portion of the City's net position 60.83% reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Currently, \$1,744,136 of the City's net position (4.94%) represents resources that are subject to external restrictions on how they may be used. \$12,505,529 is the net investment in capital assets. The remaining balance of \$21,090,320 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

The City’s overall net position increased \$627,593 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

**CITY OF WILMER, TEXAS
COMPARATIVE STATEMENTS OF ACTIVITIES**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Program revenues:						
Charges for services	\$ 2,588,869	\$ 3,535,208	\$ 4,045,419	\$ 3,686,319	\$ 6,634,288	\$ 7,221,527
Operating grants/contributions	-	815	-	-	-	815
General revenues:						
Property taxes	10,325,222	7,873,395	-	-	10,325,222	7,873,395
Sales taxes	6,303,911	6,114,390	-	-	6,303,911	6,114,390
Franchise taxes	414,312	331,088	-	-	414,312	331,088
Alcoholic beverage taxes	6,232	5,806	-	-	6,232	5,806
Investment earnings	1,270,035	2,012,968	15,717	19,191	1,285,752	2,032,159
Miscellaneous	423,944	224,667	71,389	3,737	495,333	228,404
Total revenues	<u>21,332,525</u>	<u>20,098,337</u>	<u>4,132,525</u>	<u>3,709,247</u>	<u>25,465,050</u>	<u>23,807,584</u>
Expenses:						
General government	8,001,501	4,076,449	-	-	8,001,501	4,076,449
Public safety	9,584,852	10,919,265	-	-	9,584,852	10,919,265
Public works	187,150	835,266	-	-	187,150	835,266
Cultural and recreational	1,441,824	688,665	-	-	1,441,824	688,665
Interest on long-term debt	1,519,735	1,434,145	-	-	1,519,735	1,434,145
Water and sewer services	-	-	4,102,395	4,168,027	4,102,395	4,168,027
Total Expenses	<u>20,735,062</u>	<u>17,953,790</u>	<u>4,102,395</u>	<u>4,168,027</u>	<u>24,837,457</u>	<u>22,121,817</u>
Excess before transfers	597,463	2,144,547	30,130	(458,780)	627,593	1,685,767
Transfers	<u>(6,050,825)</u>	<u>(2,294,671)</u>	<u>6,050,825</u>	<u>2,263,662</u>	<u>-</u>	<u>(31,009)</u>
Change in Net Position	(5,453,362)	(150,124)	6,080,955	1,804,882	627,593	1,654,758
Net position - October 1	<u>17,940,817</u>	<u>18,090,941</u>	<u>15,211,917</u>	<u>13,407,035</u>	<u>33,152,734</u>	<u>31,497,976</u>
Prior period adjustment	-	-	1,835,150	-	1,835,150	-
Net position - September 30	<u>\$ 12,487,454</u>	<u>\$ 17,940,817</u>	<u>\$ 23,128,022</u>	<u>\$ 15,211,917</u>	<u>\$ 35,615,476</u>	<u>\$ 33,152,734</u>

- Charges for services for governmental activities increased by \$946,339 (26.77%) during the year and business-type activities increased by \$359,100 (9.74%).
- Property tax revenues increased by \$2,451,827 (31.14%) during the year.
- General government expenses increased by \$2,781,272 (13.41%) over prior year
- Public safety expenses decreased by (\$1,334,413) (12.22%) over prior year.
- Public works expenses increased by \$648,116 (77.59%) over prior year.

Financial Analysis of Governmental Funds

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

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

At September 30, 2025, the City's governmental funds reported combined fund balances of \$13,450,757, a decrease of (\$18,026,912) in comparison with the prior year. Approximately 26.26% of this amount, \$3,532,279 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is restricted for particular purposes \$9,903,164

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,225,895. Unassigned fund balance represents 15.91% of total general fund expenditures.

The fund balance of the City's general fund increased \$3,088,563 during the current fiscal year.

The Court Security Fees fund has a total fund balance of \$628,189. The net increase in fund balance during the current year in the court security fees fund was \$28,333.

The Court Technology Fees fund has a total fund balance of \$419,828. The net increase in fund balance during the current year in the court technology fees fund was \$1,881.

The Capital Projects fund has a total fund balance of \$8,148,792. The net decrease in fund balance during the current year in the capital projects fund was (\$21,187,190).

The Debt Service fund has a total fund balance of \$630,697. The net decrease in fund balance during the current year in the debt service fund was \$282,750.

Proprietary Funds. The City's proprietary fund statements 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 \$10,563,075. Net position increased in 2025 by \$7,916,105. Other factors concerning the finances of this fund have already been addressed in the analysis of the City's operations.

General Fund Budgetary Highlights

Final budget compared to actual results. General Fund revenues of \$16,960,493 exceeded budgeted revenues of \$15,083,100 by \$1,877,393. Actual general fund expenditures of \$20,279,289 exceeded budgeted expenditures of \$16,095,058 by \$4,184,231.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025 amounts to \$59,596,415 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure. The total increase in capital assets for the current fiscal year was approximately 47.77%.

CITY OF WILMER, TEXAS COMPARATIVE STATEMENTS OF CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 884,055	\$ 884,055	\$ 169,473	\$ 169,473	\$ 1,053,528	\$ 1,053,528
Construction in progress	15,380,645	5,071,432	10,471,279	2,631,651	25,851,924	7,703,083
Buildings	1,596,838	1,664,244	897	1,024	1,597,735	1,665,268
Improvements	-	-	13,874,145	14,460,190	13,874,145	14,460,190
Machinery and equipment	3,962,688	1,567,289	28,929	56,980	3,991,617	1,624,269
Infrastructure	13,227,466	13,823,973	-	-	13,227,466	13,823,973
Total	\$ 35,051,692	\$ 23,010,993	\$ 24,544,723	\$ 17,319,317	\$ 59,596,415	\$ 40,330,312

Additional information on the City of Wilmer's capital assets can be found in note 2.D on pages 31-32 of this report.

Long-term Debt. At the end of the current fiscal year, the City’s long-term obligations are comprised of tax anticipation notes, and a note payable, amounts due to other governments, compensated absences, pension and OPEB liabilities.

**CITY OF WILMER, TEXAS
COMPARATIVE STATEMENTS OF LONG-TERM DEBT**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Tax anticipation notes	\$ 5,758,000	\$ 5,884,000	\$ -	\$ -	\$ 5,758,000	\$ 5,884,000
Certificates of Obligation	27,585,000	27,872,000	-	-	27,585,000	27,872,000
Premiums	1,768,110	1,911,562	-	-	1,768,110	1,911,562
Due to other Governments	-	-	2,987,448	3,117,448	2,987,448	3,117,448
Compensated absences	479,586	493,441	20,145	18,332	499,731	511,773
Net pension liability (asset)	1,377,837	1,391,121	245,857	247,668	1,623,694	1,638,789
OPEB liability	96,519	93,035	2,157	1,682	98,676	94,717
Total	<u>\$ 37,065,052</u>	<u>\$ 37,645,159</u>	<u>\$ 3,255,607</u>	<u>\$ 3,385,130</u>	<u>\$ 40,320,659</u>	<u>\$ 41,030,289</u>

Additional information on the City of Wilmer’s long term-debt can be found in note 2.I on pages 39-41 of this report.

Economic Factors and Next Year’s Budgets and Rates

In the 2024-2025 Budget, General Fund budgeted revenues increased 12.25% from the 2023-2024 budget year with property taxes and sales tax making up 40.71% and 41.02% of general fund budgeted revenues, respectively.

Request 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 government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, 128 N. Dallas, Wilmer, Texas 75172.

BASIC FINANCIAL STATEMENTS

CITY OF WILMER, TEXAS
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 22,937,991	\$ 3,669,380	\$ 26,607,371	\$ 8,809,334
Receivables (net of allowance for uncollectibles)	2,149,465	523,764	2,673,229	-
Other assets	25,550	-	25,550	109,582
Due from other governments	-	-	-	261,764
Due from primary government	-	-	-	7,766,822
Due from component units	11,793	-	11,793	-
Internal balances	1,462,939	(1,462,939)	-	-
Capital assets:				
Non-depreciable	16,264,700	10,640,752	26,905,452	2,551,994
Depreciable (net of accumulated depreciation)	18,786,992	13,903,971	32,690,963	-
Total assets	<u>61,639,430</u>	<u>27,274,928</u>	<u>88,914,358</u>	<u>19,499,496</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension	557,312	87,521	644,833	-
Total deferred outflows of resources	<u>557,312</u>	<u>87,521</u>	<u>644,833</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	5,132,185	530,949	5,663,134	1,131,812
Due to other governments	-	-	-	14,606
Due to component units	7,766,822	258,951	8,025,773	-
Customer deposits payable	-	182,412	182,412	-
Noncurrent liabilities:				
Due within one year	2,996,118	193,312	3,189,430	-
Due in more than one year	34,068,934	3,062,295	37,131,229	-
Total liabilities	<u>49,964,059</u>	<u>4,227,919</u>	<u>54,191,978</u>	<u>1,146,418</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension	-	2,840	2,840	-
Deferred inflows of resources related to OPEB	20,720	3,668	24,388	-
Total deferred inflows of resources	<u>20,720</u>	<u>6,508</u>	<u>27,228</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	(59,418)	12,564,947	12,505,529	-
Restricted for:				
Community development	36,000	-	36,000	9,284,716
Economic development	-	-	-	9,068,362
Debt Service	630,697	-	630,697	-
Public Safety	1,077,439	-	1,077,439	-
Unrestricted	10,527,245	10,563,075	21,090,320	-
Total net position	<u>\$ 12,211,963</u>	<u>\$ 23,128,022</u>	<u>\$ 35,339,985</u>	<u>\$ 18,353,078</u>

The accompanying notes are an integral part of this statement.

CITY OF WILMER, TEXAS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 8,001,501	\$ 1,012,301	\$ -	\$ -	\$ (6,989,200)		\$ (6,989,200)	
Public safety	9,584,852	1,121,879	-	-	(8,462,973)		(8,462,973)	
Community services	187,150	454,689	-	-	267,539		267,539	
Community development	1,441,824	-	-	-	(1,441,824)		(1,441,824)	
Interest and fiscal charges	1,519,735	-	-	-	(1,519,735)		(1,519,735)	
Total governmental activities	<u>20,735,062</u>	<u>2,588,869</u>	<u>-</u>	<u>-</u>	<u>(18,146,193)</u>		<u>(18,146,193)</u>	
Business-type activities:								
Water and sewer	<u>4,102,395</u>	<u>4,045,419</u>	<u>-</u>	<u>-</u>		\$ (56,976)	<u>(56,976)</u>	
Total business-type activities	<u>4,102,395</u>	<u>4,045,419</u>	<u>-</u>	<u>-</u>		<u>(56,976)</u>	<u>(56,976)</u>	
Total primary government	<u>\$ 24,837,457</u>	<u>\$ 6,634,288</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(18,146,193)</u>	<u>(56,976)</u>	<u>(18,203,169)</u>	
COMPONENT UNITS:								
Wilmer Community Development Corporation	\$ 2,258,460	\$ -	\$ -	\$ -				\$ (2,258,460)
Wilmer Economic Development Corporation	<u>1,958,067</u>	<u>-</u>	<u>-</u>	<u>-</u>				<u>(1,958,067)</u>
Total component units	<u>\$ 4,216,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(4,216,527)</u>
General revenues:								
Property taxes					10,325,222	-	10,325,222	-
Sales taxes					6,303,911	-	6,303,911	6,303,912
Franchise taxes					414,312	-	414,312	-
Alcoholic beverage taxes					6,232	-	6,232	-
Investment earnings					1,270,035	15,717	1,285,752	99,161
Miscellaneous					423,944	71,389	495,333	10,259
Transfers					<u>(6,050,825)</u>	<u>6,050,825</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers					<u>12,692,831</u>	<u>6,137,931</u>	<u>18,830,762</u>	<u>6,413,332</u>
Change in net position					(5,453,362)	6,080,955	627,593	2,196,805
Prior period adjustment					-	1,835,150	1,835,150	1,270,932
Net position at beginning of year					<u>17,940,817</u>	<u>15,211,917</u>	<u>33,152,734</u>	<u>14,885,341</u>
Net position at end of year					<u>\$ 12,487,454</u>	<u>\$ 23,128,022</u>	<u>\$ 35,615,476</u>	<u>\$ 18,353,078</u>

The accompanying notes are an integral part of this statement.

CITY OF WILMER, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 10,220,529	\$ 630,996	\$ 10,983,034	\$ 1,103,432	\$ 22,937,991
Receivables (net of allowances for uncollectibles):	2,053,665	95,800	-	-	2,149,465
Prepaid items	25,550	-	-	-	25,550
Due from component units	11,793	-	-	-	11,793
Due from other funds	<u>4,288,724</u>	<u>-</u>	<u>-</u>	<u>11,322</u>	<u>4,300,046</u>
Total assets	<u>\$ 16,600,261</u>	<u>\$ 726,796</u>	<u>\$ 10,983,034</u>	<u>\$ 1,114,754</u>	<u>\$ 29,424,845</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 5,128,328	\$ -	\$ -	\$ 3,857	\$ 5,132,185
Due to component units	7,766,822	-	-	-	7,766,822
Due to other funds	-	300	2,834,242	2,565	2,837,107
Total liabilities	<u>12,895,150</u>	<u>300</u>	<u>2,834,242</u>	<u>6,422</u>	<u>15,736,114</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	216,483	95,799	-	-	312,282
Unavailable revenue - other	<u>201,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,183</u>
Total deferred inflows of resources	<u>417,666</u>	<u>95,799</u>	<u>-</u>	<u>-</u>	<u>513,465</u>
Fund balances:					
Nonspendable	25,550	-	-	-	25,550
Capital projects	-	-	8,148,792	-	8,148,792
Debt Service	-	630,697	-	-	630,697
Public Safety	-	-	-	1,077,439	1,077,439
Community Development	36,000	-	-	-	36,000
Unassigned	<u>3,225,895</u>	<u>-</u>	<u>-</u>	<u>306,384</u>	<u>3,532,279</u>
Total fund balances	<u>3,287,445</u>	<u>630,697</u>	<u>8,148,792</u>	<u>1,383,823</u>	<u>13,450,757</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,600,261</u>	<u>\$ 726,796</u>	<u>\$ 10,983,034</u>	<u>\$ 1,390,245</u>	<u>\$ 29,700,336</u>

The accompanying notes are an integral part of this statement.

CITY OF WILMER, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 September 30, 2025

Total fund balances - governmental funds balance sheet	\$ 13,450,757
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	35,051,692
Other long-term assets are not available to pay for current period expenditures and, therefore are reported as unavailable revenue in the funds	513,465
Deferred outflows of resources are not reported in the governmental Deferred outflows of resources related to pension	557,312
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	
Due within one year	(2,996,118)
Due in more than one year	(34,068,934)
Deferred inflows of resources are not reported in the governmental funds: Deferred inflows of resources related to pension	<u>(20,720)</u>
Net position of governmental activities	<u>\$ 12,487,454</u>

The accompanying notes are an integral part of this statement.

CITY OF WILMER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 7,132,642	\$ 2,923,947	\$ -	\$ -	\$ 10,056,589
Sales taxes	6,303,911	-	-	-	6,303,911
Franchise taxes	414,312	-	-	-	414,312
Alcoholic beverage taxes	6,232	-	-	-	6,232
Licenses and permits	1,012,301	-	-	-	1,012,301
Fines and forfeitures	816,310	-	-	53,839	870,149
Charges for current services	706,419	-	-	-	706,419
Revenues from use of money	153,220	9,135	1,088,850	18,830	1,270,035
Other	415,146	-	8,798	-	423,944
Total revenues	<u>16,960,493</u>	<u>2,933,082</u>	<u>1,097,648</u>	<u>72,669</u>	<u>21,063,892</u>
Expenditures:					
Current:					
General government	7,950,365	-	-	-	7,950,365
Public safety	8,357,448	-	-	300,211	8,657,659
Community services	163,225	-	-	-	163,225
Community development	778,906	-	-	-	778,906
Debt service:					
Principal	-	1,728,000	-	-	1,728,000
Interest and fiscal charges	-	1,519,735	-	-	1,519,735
Capital Outlay	3,029,345	-	10,559,647	-	13,588,992
Total expenditures	<u>20,279,289</u>	<u>3,247,735</u>	<u>10,559,647</u>	<u>300,211</u>	<u>34,386,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,318,796)</u>	<u>(314,653)</u>	<u>(9,461,999)</u>	<u>(227,542)</u>	<u>(13,322,990)</u>
Other financing sources (uses):					
Bonds issued	1,315,000	-	-	-	1,315,000
Economic Gain on Defeasance	-	31,903	-	-	31,903
Transfers in (out)	5,092,359	-	(11,725,191)	582,007	(6,050,825)
Total other financing sources (uses)	<u>6,407,359</u>	<u>31,903</u>	<u>(11,725,191)</u>	<u>582,007</u>	<u>(4,703,922)</u>
Net change in fund balances	3,088,563	(282,750)	(21,187,190)	354,465	(18,026,912)
Fund balances, October 1	<u>667,032</u>	<u>913,447</u>	<u>29,335,981</u>	<u>1,029,358</u>	<u>31,945,818</u>
Prior period adjustments	(468,150)	-	-	-	(468,150)
Fund balances, September 30	<u>\$ 3,287,445</u>	<u>\$ 630,697</u>	<u>\$ 8,148,791</u>	<u>\$ 1,383,823</u>	<u>\$ 13,450,756</u>

The accompanying notes are an integral part of this statement.

CITY OF WILMER, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - governmental funds	\$	(18,026,912)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period.</p>		
		13,588,992
<p>Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds</p>		
		(1,685,599)
<p>The issuance of long-term debt (e.g. capital lease and tax notes) 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 difference in the treatment of long-term debt and related items.</p>		
Premium on bonds issued	(3,228)	
Proceeds on bonds issued	(1,315,000)	
Economic Gain on Defeasance	(31,903)	
Principal on debt retired	<u>1,728,000</u>	377,869
<p>Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		268,633
<p>Pension and OPEB contributions are recorded as expenditures in the governmental funds. However, in the statement of activities, these contributions are converted to the full accrual pension and OPEB amounts.</p>		
Deferred outflows/inflows of resources related to pension	13,284	
Deferred outflows/inflows of resources related to OPEB	<u>(3,484)</u>	9,800
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		13,855
		<hr/>
Change in net position of governmental activities	\$	<u><u>(5,453,362)</u></u>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND

CITY OF WILMER, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Business-type Activities <u>Enterprise Fund</u> <u>Water and Sewer</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,669,380
Receivables (net of allowances for uncollectibles):	<u>523,764</u>
Total current assets	<u>4,193,144</u>
Capital assets (net of accumulated depreciation)	<u>24,544,723</u>
Total noncurrent assets	<u>24,544,723</u>
Total Assets	<u>28,737,867</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows of resources related to pension	<u>87,521</u>
Total Deferred Outflow of Resources	<u>87,521</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	530,949
Due to other funds	1,462,939
Due to component units	258,951
Compensated absences	20,145
Customer deposits payable	<u>182,412</u>
Total current liabilities	<u>2,455,396</u>
Noncurrent liabilities:	
Due to other governments	2,987,448
Net pension (asset) liability	245,857
OPEB Liability	<u>2,157</u>
Total noncurrent liabilities	<u>3,235,462</u>
Total Liabilities	<u>5,690,858</u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflows of resources related to pension	2,840
Deferred inflows of resources related to OPEB	<u>3,668</u>
Total Deferred Inflow of Resources	<u>6,508</u>
NET POSITION	
Net investment in capital assets	12,564,947
Unrestricted	<u>10,563,075</u>
Total Net Position	<u>\$ 23,128,022</u>

The accompanying notes are an integral part of this statement.

CITY OF WILMER, TEXAS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	<u>Business-type</u> <u>Activities</u> <u>Enterprise Fund</u> <u>Water and Sewer</u>
OPERATING REVENUES:	
Water Sales	\$ 2,632,936
Sewer Service	930,417
Penalties	119,476
Tap fees	6,025
Miscellaneous	356,565
Total operating revenues	<u>4,045,419</u>
OPERATING EXPENSES:	
Salaries, wages and benefits	676,570
Supplies	173,680
Other services	660,868
Water purchases	953,617
Sewer treatment	891,658
Depreciation	746,002
Total operating expenses	<u>4,102,395</u>
Operating Income (Loss)	<u>(56,976)</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest income	15,717
Bad Debts	71,389
Total non-operating revenues (expenses)	<u>87,106</u>
Gain (loss) before transfers and capital contributions	<u>30,130</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:	
Transfers in	<u>6,050,825</u>
Total transfers and capital contributions	<u>6,050,825</u>
Increase (decrease) in net position	6,080,955
Net position, October 1	15,211,917
Prior period adjustment	<u>1,835,150</u>
Net position, September 30	<u>\$ 23,128,022</u>

The accompanying notes are an integral part of this statement.

CITY OF WILMER, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities <u>Enterprise Fund</u> <u>Water and Sewer</u>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 4,163,550
Payments to suppliers	(2,353,282)
Payments to employees	(685,932)
Net cash provided (used) by operating activities	<u>1,124,336</u>
Cash Flows from Non-Capital Financing Activities:	
Advances from other funds	(76,969)
Transfers from other funds	6,050,825
Net cash provided (used) by non-capital financing activities	<u>5,973,856</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition or construction of capital assets	(6,136,255)
Payments to other governments	(912)
Net cash used in capital and related financing activities	<u>(6,137,167)</u>
Cash Flows from Investing Activities:	
Interest and dividends received	15,717
Net cash used in (provided by) investing activities	<u>15,717</u>
Net increase (decrease) in cash and cash equivalents	976,742
Cash and cash equivalents at beginning of year	2,692,638
Cash and cash equivalents at end of year	<u>\$ 3,669,380</u>
Reported on Statement of Net Position	
Unrestricted cash	\$ 3,669,380
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (loss)	\$ (56,977)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation and amortization	746,002
Change in Assets and Liabilities:	
Decrease (increase) in assets:	
Receivables	98,531
Pension related deferred outflows	(11,175)
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	327,877
Customer deposits	19,600
Pension liability	(1,811)
OPEB liability	476
Net cash provided (used) by operating activities	<u>\$ 1,124,336</u>

The accompanying notes are an integral part of this statement.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

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

B. Reporting entity

The City of Wilmer, Texas (the “City”) was incorporated in 1883. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units.

Discretely presented component units. The Corporations described below are included in the City’s reporting entity because the City appoints the governing body and the Corporations are fiscally dependent on the City. The Corporations are reported as discretely presented component units since the governing body is not substantively the same as the governing body of the City, and they provide services to the citizens of Wilmer and the surrounding area as opposed to only the primary government. To emphasize that they are legally separate from the City, they are reported in separate columns in the financial statements.

The *Wilmer Economic Development Corporation* (Economic Development Corporation) is responsible for collecting and disbursing the one-fourth percent sales tax to be used for economic development within the City. The members of the Corporation’s board are appointed by the City. The Corporation is presented as a governmental fund type and has a September 30 year-end.

The *Wilmer Community Development Corporation* (Community Development Corporation) is responsible for collecting and disbursing the one-fourth percent sales tax to be used for community development within the City. The members of the Corporation’s board are appointed by the City. The Corporation is presented as a governmental fund type and has a September 30 year-end.

Separate financial statements for the Corporations are not issued.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

C. Basis of presentation – government-wide financial statements

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

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

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

D. Basis of presentation – fund financial statements

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

The City reports the following major governmental funds:

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

The *capital projects fund* is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The *debt service fund* is used to account for the accumulation of resources for the payment of general debt principal, interest and related costs. The revenue source is principally ad valorem tax levied by the City.

The City reports the following non-major governmental funds:

The *court security fees* fund is used to account for monies received to secure the municipal court.

The *court technology fees* fund is used to account for monies received to purchase technological enhancements for the municipal court.

During the year the City created a new *consolidated court fund*. to account for the funding of local court operations, technology, and security. This fund was created due to the passage of HB 1950, effective May 29, 2025.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

D. Basis of presentation – fund financial statements - continued

The *police seizure fund* is used to account for seized cash/property and counted as revenue only by a court order.

The *tax increment finance fund* derives its revenue from property tax revenues received in the zone.

The City reports the following major enterprise fund:

The *water and sewer fund* accounts for the activities of the sewage collection system and the water distribution system.

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

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

E. Measurement focus and basis of accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial 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 imposed by the provider have been met.

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

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

E. Measurement focus and basis of accounting - (continued)

General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

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

F. Budgetary information

1. Excess of expenditures over appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations in the General Fund by \$4,184,231. This excess was funded by greater than anticipated revenues and transfers in the General Fund.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

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

2. Investments

Investments with an initial maturity of more than three months would be reported as investments. The City's had no investments at year end. Investments of the City would be reported at fair value (generally based on quoted market prices).

3. Receivables and allowances for doubtful accounts

All trade and property tax receivables are shown net of an allowance for un-collectibles. Trade accounts receivables in excess of 60 days comprise the trade accounts receivable allowance for un-collectibles. The property tax receivable allowance is the lesser of 0.2 percent of the tax levy for each fiscal year or the outstanding property taxes for each fiscal year at year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance - continued

4. Prepaid items

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

5. Capital assets

Capital assets, which include 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. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.

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

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

Capital asset classes	Lives
Buildings	10-30
Improvements	7-30
Machinery and equipment	3-15
Infrastructure	10-20

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources reported in this year’s financial statements include (1) a deferred outflow of resources for contributions made to the City’s defined benefit pension plan and OPEB plan between the measurement date of the net pension liabilities from that plan and the end of the City’s fiscal year, (2) a deferred outflow of resources related to changes in actuarial assumptions of the City’s OPEB plan, and (3) deferred outflow of resources for the difference between expected and actual experience data used by the actuary. Deferred outflows for pension contributions will be recognized in the subsequent fiscal year. Deferred outflows for changes in actuarial assumptions is attributed to pension expense over a total of 4.26 years. Deferred outflows for changes in actuarial assumptions is attributed to OPEB expense over a total of 7.86 years.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance -continued

6. *Deferred outflows/inflows of resources - continued*

Deferred inflows of resources for the difference between expected and actual experience data is attributed to pension expense over a total of 5.00 years, including the current year. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported in the City's various statements of net position for 1) differences between the projected and actual investment earnings, (2) the difference between expected and actual experience data used by the actuary. Deferred inflows of resources for the differences between the projected and actual investment earnings are attributed to pension expense over a total of five years, including the current year. The deferred inflow of resources related to the difference between expected and actual experience data used by the actuary is attributed to pension expense over a total of 4.26 years, including the current year. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The City will not recognize the related revenues until they are available (collected not later than 60 days after the end of the City's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes are reported in the governmental funds balance sheet.

7. *Long-term obligations*

In the government-wide financial statements, and proprietary fund type 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 statements 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance -continued

8. *Net position flow assumption*

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

Net investment in capital assets — This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position — This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position — This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

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

9. *Fund balance flow assumption*

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

Non-spendable fund balance — amounts that are not in spendable form (such as inventories and prepaid items) or are required to be maintained intact.

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

Committed fund balance — amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance -continued

9. Fund balance flow assumption - continued

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

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

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

H - Revenues and expenditures/expenses

1. Program revenues

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

2. Property taxes

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

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

H - Revenues and expenditures/expenses - continued

3. Compensated absences

The City's policy permits employees to accumulate earned but unused vacation and sick leave benefits. The liability for such unused vacation and sick leave are reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Unused vacation and sick leave shall be taken during the year following its accumulation.

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. Operating expenses for the water and sewer fund 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 nonoperating revenues and expenses.

5. Pensions and Other Post-Employment Benefits (OPEB)

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

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

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash deposits with financial institutions

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. State statutes require that all deposits in financial institutions be fully insured or collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year-end, the City’s bank balance was \$8,351,285. Of the bank balance, \$250,000 was covered by federal depository insurance. The remainder was covered by collateral pledged in the City’s name in the amount of \$14,920,630. The Collateral was held in the City’s name by the safekeeping departments of the pledging bank’s agent.

B. Investments

Public funds of the City of Wilmer, Texas may be invested in the following: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) other obligations guaranteed or insured by the State of Texas or the United States or its instrumentalities, (4) obligations of states, agencies, 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, (5) investment pools, meeting the criteria established by the Public Funds Investment Act as amended, (6) certificates of deposit issued by a state or national bank domiciled in Texas or a savings bank domiciled in Texas or a state or federal credit union domiciled in Texas, (7) fully collateralized direct repurchase agreements, and (8) no-load money market mutual funds. The investment pools are not evidenced by securities that exist in physical or book entry form and accordingly, not categorized for credit risk.

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for un-collectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general and water and sewer funds in the aggregate, including the applicable allowances for uncollectible accounts:

	<u>General</u>	<u>Debt Service Funds</u>	<u>Water and Sewer</u>	<u>Total</u>
Taxes	\$ 2,085,280	\$ 114,853	\$ -	\$ 2,200,133
Accounts	9,609	-	616,165	625,774
Other	162,844	-	50,000	212,844
Gross receivables	<u>2,257,733</u>	<u>114,853</u>	<u>666,165</u>	<u>3,038,751</u>
Less: allowance for uncollectables	<u>(204,068)</u>	<u>(19,053)</u>	<u>(142,401)</u>	<u>(365,522)</u>
Net total receivables	<u>\$ 2,053,665</u>	<u>\$ 95,800</u>	<u>\$ 523,764</u>	<u>\$ 2,673,229</u>

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

D. Capital assets

Capital asset activity for the year ended September 30, 2025, was as follows:

	Balance 9/30/2024	Additions	Retirements	Balance 9/30/2025
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 884,055	\$ -	\$ -	\$ 884,055
Construction in progress	5,071,432	10,309,213	-	15,380,645
Total capital assets not being depreciated	<u>5,955,487</u>	<u>10,309,213</u>	<u>-</u>	<u>16,264,700</u>
Capital assets being depreciated:				
Buildings	2,270,741	6,100	-	2,276,841
Machinery and equipment	4,550,415	3,410,985	-	7,961,400
Infrastructure	17,743,648	-	-	17,743,648
Total capital assets being depreciated	<u>24,564,804</u>	<u>3,417,085</u>	<u>-</u>	<u>27,981,889</u>
Less accumulated depreciation for:				
Buildings	(606,497)	(73,506)	-	(680,003)
Machinery and equipment	(2,983,126)	(1,015,586)	-	(3,998,712)
Infrastructure	(3,919,675)	(596,507)	-	(4,516,182)
Total accumulated depreciation	<u>(7,509,297)</u>	<u>(1,685,599)</u>	<u>-</u>	<u>(9,194,897)</u>
Total capital assets being depreciated, net	<u>17,055,507</u>	<u>1,731,486</u>	<u>-</u>	<u>18,786,992</u>
Governmental activities capital assets, net	<u>\$ 23,010,994</u>	<u>\$ 12,040,699</u>	<u>\$ -</u>	<u>\$ 35,051,692</u>

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

Governmental activities:	
General government	\$ 37,852
Public Safety	960,904
Public Works	23,925
Cultural and recreational	<u>662,918</u>
Total depreciation expense - governmental activities	<u>\$ 1,685,599</u>

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

D. Capital assets – (continued)

	Balance 9/30/2024	Additions	Retirements	Balance 9/30/2025
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 169,473	\$ -	\$ -	\$ 169,473
Construction in progress	2,631,651	7,839,628	-	10,471,279
Total capital assets not being depreciated	2,801,124	7,839,628	-	10,640,752
Capital assets being depreciated:				
Buildings	15,334	-	-	15,334
Improvements	21,216,904	84,965	-	21,301,869
Machinery and equipment	382,262	46,812	-	429,074
Total capital assets being depreciated	21,614,500	131,777	-	21,746,277
Less accumulated depreciation for:				
Buildings	(14,310)	(127)	-	(14,437)
Improvements	(6,756,714)	(671,010)	-	(7,427,724)
Machinery and equipment	(325,280)	(74,865)	-	(400,145)
Total accumulated depreciation	(7,096,304)	(746,002)	-	(7,842,306)
Total capital assets being depreciated, net	14,518,196	(614,225)	-	13,903,971
Business type activities capital assets, net	\$ 17,319,320	\$ 7,225,403	\$ -	\$ 24,544,723

The City has active construction projects as of September 30, 2025. The projects include a Police Department and Public Works Facility. At year end the City’s commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Wilmer Police Department	\$ 15,341,902	\$ 3,862,605
Wilmer Public Works Facility	8,335,031	2,407,144
Wilmer Outfall Force Main	1,865,071	6,585,929
Landscaping Enhancements	1,648,900	252,498
	\$ 23,676,933	\$ 13,108,176

The improvements are commitments of the City’s Capital Projects fund. These projects are being funded by Dallas County, Texas Dept of Transportation and Debt.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

E. Tax abatements

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

Texas Tax Code – Chapter 312

A taxing unit may not enter into a tax abatement agreement under this chapter and the governing body of a municipality or county may not designate an area as a reinvestment zone unless the governing body has established guidelines and criteria governing tax abatement agreements by the taxing unit and a resolution stating that the taxing unit elects to become eligible to participate in tax abatement.

The City has entered into tax abatement agreements authorized by Chapter 312 of the Texas Tax Code (“Code”). Pursuant to the Code, Tax Abatement Guidelines are effective for two (2) years from the date of their adoption and the City must then readopt the guidelines. The City’s current Tax Abatement Guidelines were adopted by the City Council pursuant to Resolution No. R17-0706D and went into effect on June 20, 2022.

According to the Property Redevelopment and Tax Abatement Act, codified at Chapter 312 of the Texas Tax Code, the City may only grant a tax abatement on the increment in value added to a particular property by specific improvements that meet the economic development goals and objectives of the City. The tax abatement may apply to the real estate portion of the project or the tangible personal property added to the real estate or both.

Tax abatements are granted to the owners of real and personal property. For projects where the real estate is leased, special terms and conditions will be required in the agreement.

MINIMUM STANDARDS FOR TAX ABATEMENT

To be considered eligible for tax abatement, the proposed project and/or property must meet the following criteria:

1. An investment of at least \$10,000,000 in taxable assets for any new construction. The acquisition cost of the real estate is not included in computing the amount of taxable assets. Construction costs are not necessarily indicative of the taxable value of the property. (The taxable value is determined by the Dallas Central Appraisal District as of January 1 of each year.)
2. The City may consider a tax abatement for an investment of at least \$10,000,000 in taxable assets for any construction related to the expansion, remodeling or modernization of existing businesses provided that the businesses are current in all obligations to the City/county and school district and that they are operating lawfully in accordance with zoning and all other regulations of the City.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

E. Tax abatements – (continued)

3. The City may consider a tax abatement for an investment less than those established in the guidelines based upon an evaluation of economic development factors, including but not limited to: the location of taxable inventory on the property; the amount of sales tax which the project or property will generate for the City; and the amount of any rollback taxes triggered by the development or project.
4. The project makes a substantial contribution to redevelopment efforts or the project has high visibility, image impact, or is of a significantly higher level of development quality.
5. The project is in an area that might not otherwise be developed because of restraints of topography, ownership patterns, site configuration, or other constraints.
6. The project stimulates concentration of employment and/or commercial activity.
7. A project submitted for tax abatement shall be subject to fiscal impact analysis to determine whether the services required for the facility will exceed the amount of taxes generated if an abatement was provided. It shall be the general policy that the City will not consider a tax abatement for any project that will generate negative cost to the City. If, however, a project is to be constructed in two or more phases and the net result for the overall project will result in a positive impact for the City, an abatement agreement may be considered.
8. Applicants must provide a written narrative in the form of an application for a Tax Abatement Agreement

These agreements include provisions for repayment if the recipient fails to fully meet its commitments.

For the year ended September 30, 2025, the City abated property taxes totaling \$768,105 under this program and consisted of the following tax abatement agreements:

Owner	Years Eligible	Market Value	Base Value	Exempt Percent	Type of Exemption	Subject to Exemption	Loss Amount	Amount Abated
MAKITA USA INC	2017-2026	29,357,000	-	50%	Real Property	29,357,000.00	14,678,500	63,432
MRE PROPCO LP	2017-2026	71,978,850	1,835,320	85%	Real Property	70,143,530.00	59,622,001	257,652
MAKITA USA INC	2017-2026	58,577,820	-	25%	Real Property	58,577,820.00	14,644,455	63,285
MEDLINE INDUSTRIES INC	2017-2026	132,751,760	28,283,160	85%	Real Property	104,468,600.00	88,798,310	383,736

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

E. Tax abatements – (continued)

Texas Local Government Code – Chapter 380

Section 380.001 of the Local Government Code provides that the governing body of a municipality may establish and provide for the administration of one or more economic development 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 to stimulate business and commercial activity in the municipality. The City of Wilmer had two Section 380 Economic Development Agreements in tax year 2025.

Medline

The City Council of the City of Wilmer adopted Resolution No. R16-0121E, effective January 21, 2016, establishing an “Economic Development Program for the Enhancement of City Sales Taxes,” as authorized by section 380.001 of the Texas Local Government Code (the “Program”). The Program provides for the City of Wilmer (the “City”) to provide economic development incentive funds to promote local economic development and to stimulate business and commercial activity in the City by encouraging businesses that will enhance City sales tax revenues to locate or maintain a place of business within the City of Wilmer. Under this program the City, Economic Development Corporation, and Community Development Corporation entered into a Performance Agreement with Medline Industries, Inc. and Medline Industries Holdings, L.P. Medline Industries, Inc. is a corporation lawfully registered and doing business in the State of Illinois (“MII”). Medline Industries Holdings, L.P. is a limited partnership (“MIH”) lawfully registered and doing business in the State of Texas. When MII and MIH are used collectively, they, collectively, will be referred to as “Medline”.

By entering into this agreement Medline agreed to the following:

- (a) Location. MIH will continuously own, lease or sublease, occupy, and use the Premises as the primary location of its regional sales office for the State of Texas for a period of twenty (20) years beginning on the Effective Date.
- (b) Sales Tax Revenue. Each Sales Tax Year of this Agreement, MIH will generate at least one million dollars (\$1,000,000) in new Sales Tax. The Sales Tax must be a new source of revenue for the City.
- (c) Jobs Created. Beginning on the Effective Date and extending for twenty (20) years, MIH will have at least 10 Employees based out of the Premises.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

E. Tax abatements – (continued)

(d) Reports and Inspections.

(1) During each Sales Tax Year, Medline provides the City with a copy of any Sales Tax returns filed with the Comptroller relating to the collection and payment of sales tax within ten (10) days of the date filed with the Comptroller.

(2) In addition to any other reporting requirement set forth in the Agreement, by May 31st of each Sales Tax Year, Medline will certify to the City that each has complied with the terms of this Agreement in the preceding Sales Tax Year and provide sufficient written information, records, and documents to support their certification of compliance.

(3) By May 31st of each Sales Tax Year, Medline will provide to the City the Texas Workforce Commission records that show the number of Employees and Annual Salary of each during the preceding Sales Tax Year.

As consideration for Medline’s contractual obligations and subject to the conditions set forth in the Agreement, the City, Type A and Type B will make economic incentive payments to Medline in an amount equal to sixty-two and one half percent (62.5%) of the Sales Tax received by the City, Type A, and Type B from the sales attributed to Medline. The City, Type A, and Type B shall pay Medline on a quarterly basis after the Sales Tax is actually received from the Comptroller. Payments shall be made by the 31st of October, 31st of January, 30th of April, and 31st of July each year during this Agreement. The calculation of the incentive payment is based on the actual amount of Sales Tax distributed to the City, Type A, and Type B by the Comptroller (net of any discounts and administrative fees).

The City, Type A, and Type B are funding this Agreement exclusively from the municipal sales and use tax and the additional municipal sales tax received under Texas Tax Code, Chapter 321 and the Development Corporation Act of 1979 (Texas Civil Statutes, Article 5190).

This Agreement has a term of twenty-one (21) Sales Tax Years and automatically renews for an additional twenty (20) Sales Tax Years, provided the Agreement has not been terminated.

The City’s General Fund, Community Development Corporation, and Economic Development Corporation granted Medline \$3,325,236, \$1,662,618, and \$1,662,618, respectively, in incentive payments for the period ending September 30, 2025.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

E. Tax abatements – (continued)

Piret Acquisitions

The City adopted Resolution No. R17-0720D, effective July 20, 2017, approving the Chapter 380 Economic Development Program and Development Agreement with PIRET Acquisitions USA LLC (PIRET). Under the agreement, PIRET will construct wastewater improvements, of which a percentage of the construction costs shall be reimbursed by the City. Upon completion of the improvements the City shall pay PIRET, as an economic development grant, 50% of the ad- valorem taxes collected by the City from the PIRET property until the City's percentage of the construction costs is reimbursed. As construction of the improvements has not been completed by PIRET at September 30, 2025, no amounts were paid or due under the agreement.

F. Other significant commitments

The City has entered into a contract with the City of Dallas, Texas, for the service of wastewater treatment, for a term of thirty years, expiring in 2044. The City pays for treatment based upon the volume of wastewater treated. Should the City desire to partially or totally discontinue this service, the City shall, for five years or the balance of the contract whichever is less, remain liable for wastewater charges at the billing level in effect at such cessation. Actual payments under the contract for the year ended September 30, 2025 were \$645,445.

On April 3, 2014 the City entered into a contract with the City of Lancaster, Texas whereby the City of Lancaster, Texas agrees to sell treated water to the City for a term of twenty years beginning the day that the City begins receiving water under the contract. Upon mutual consent, the City may extend the contract for one additional five-year term upon the written request of the City presented not later than sixty days prior to the expiration of the contract. The City's maximum demand under the contract is agreed to be 0.80 million gallons per day. Under the contract, there is a two part rate to be paid: one part based on demand and one part based on volume. \$955,493 was paid under the contract for the year ended September 30, 2025.

Tax Increment Reinvestment Zone ("TIRZ") Reinvestment Zone Number 1 - As set forth in Ordinance No. 13-0921A, dated September 21, 2013, the City created Tax Increment Reinvestment Zone ("TIRZ") Reinvestment Zone Number 1 (the "Zone") to fund a series of infrastructure improvements, which are needed to incentivize and accelerate the rate of development in the Zone. Pursuant to Resolution No. 13-1005D, approved on October 5, 2013, the City authorized the execution of a development agreement with Southport Logistics XT, L.P. ("Company"). Under the agreement the Company is to design and construct public improvements in the Zone. Following completion of the public improvements with funding provided by the Company, the City shall acquire the public improvements and reimburse the acquisition funding by the use of TIRZ increment funds. As of September 30, 2025 the unreimbursed costs due the Company totaled \$26,528,433.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

F. Other significant commitments – (continued)

On April 17, 2014 the City entered into a contract with the Dallas County whereby the County agrees to design and construct a water transmission pipeline for the City of Wilmer. The City has agreed to repay the County a pro rata portion of the project costs in the amount \$3,367,448 over a twenty year period with no interest expense to the City beginning January 1, 2022 or the start of the first quarter after the project becomes operational, whichever occurs later. \$130,000 was paid under this contract during 2024-2025.

On September 20, 2018 the City entered into a project specific agreement with the Dallas County for the design and right of way acquisition for the widening of Sunrise Rd. The City’s total obligation for the project will be in the amount not to exceed \$860,000. \$460,000 of this obligation was met by the City through the acquisition of right of way. The City’s remaining commitment as of September 30, 2025 totaled \$400,000.

G. 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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

H. Capital lease obligations

The City purchased emergency equipment under a lease purchase agreement. The interest on the lease was 8.5%.

The asset acquired through the capital lease is as follows:

Asset	Governmental Activities
Machinery and equipment	\$ 460,745
Less: Accumulated depreciation	(153,582)
Total	\$ 307,163

As of September 30, 2025, this lease requires 5 annual payments of \$65,821.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

I. Long-term liabilities

Tax anticipation notes

The City issues tax anticipation notes to provide funds for the acquisition and construction of capital assets. Tax anticipation notes have been issued for governmental activities. Tax anticipation notes are secured by a pledge of taxes levied, assessed and collected annually.

Tax anticipation notes and Certificates of Obligation currently outstanding and reported as liabilities of the City’s governmental activities are:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 9/30/2025</u>
Governmental Activities				
Tax Anticipation Notes Series 2021	\$ 6,225,000	9/1/2028	2.190%	\$ 5,758,000
Certificates of Obligation Series 2020	8,975,000	9/1/2040	3.00 - 5.00%	8,085,000
General Obligation Refunding Series 2020	4,435,000	9/1/2033	4.00 - 5.00%	3,075,000
Certificates of Obligation Series 2022	15,850,000	9/1/2037	4.810%	15,110,000
Public Property Finance (PPF) Contractual Obligation 2024	1,315,000	9/1/2035	4.630%	1,315,000
Total Governmental Activities				\$ <u>33,343,000</u>

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

I. Long-term liabilities – continued

The debt service requirements for the City’s notes payable are as follows:

Year	Governmental Activities		Total
	Principal	Interest	
2026	\$ 2,461,000	\$ 1,384,225	\$ 3,845,225
2027	2,674,000	1,316,595	3,990,595
2028	3,031,000	1,228,500	4,259,500
2029	2,072,000	1,150,304	3,222,304
2030	2,163,000	1,056,165	3,219,165
2031 - Thereafter	20,942,000	4,501,509	25,443,509
	\$ 33,343,000	\$ 10,637,298	\$ 43,980,298

Compensated absences

Compensated absences represent the estimated liability for employees’ paid time off benefits for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund and Water and Sewer Fund based on the assignment of an employee at termination.

Net Pension Liability (Asset)

The net pension liability (asset) represents the liability (asset) for employees’ for projected pension benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service less the amount of the pension plan’s fiduciary net pension.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

I. Long-term liabilities – continued

Changes in the City’s long-term liabilities for the year ended September 30, 2025 are as follows:

Governmental tax anticipation notes will be liquidated by the debt service fund. Governmental activities capital lease, compensated absences, net pension liability, and OPEB liability will be liquidated by the general fund.

Changes in the City's long-term liabilities for the year ended September 30, 2025 are as follows:

	Balance 9/30/2024	Additions	Retirements	Balance 9/30/2025	Due Within One Year
Governmental activities:					
Tax anticipation notes	\$ 5,884,000	\$ -	\$ (126,000)	\$ 5,758,000	\$ 1,880,000
Certificates of Obligation - Series 2020	8,225,000	-	(140,000)	8,085,000	160,000
General Obligation - Refunding Series 2020	4,105,000	-	(1,030,000)	3,075,000	-
Combination Tax & Revenue Certificates of Obligation - Series 2022	15,542,000	-	(432,000)	15,110,000	315,000
PPFCO - 2024	-	1,315,000	-	1,315,000	106,000
Premiums	1,911,562	-	(143,452)	1,768,110	143,452
Compensated absences	493,441	377,811	(391,666)	479,586	391,666
Net pension liability (asset)	1,391,121	-	(13,284)	1,377,837	-
OPEB liability	93,035	3,484	-	96,519	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental activity long-term liabilities	<u>\$ 37,645,159</u>	<u>\$ 1,696,295</u>	<u>\$ (2,276,402)</u>	<u>\$ 37,065,052</u>	<u>\$ 2,996,118</u>
	Balance 9/30/2024	Additions	Retirements	Balance 9/30/2025	Due Within One Year
Business-type activities:					
Due to other government	\$ 3,117,448	\$ -	\$ (130,000)	\$ 2,987,448	\$ 180,000
Compensated absences	18,332	15,125	13,312	20,145	13,312
Net pension liability (asset)	247,668	-	(1,811)	245,857	-
OPEB liability	1,682	475	-	2,157	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Business-type activities	<u>\$ 3,385,130</u>	<u>\$ 15,600</u>	<u>\$ (118,499)</u>	<u>\$ 3,255,607</u>	<u>\$ 193,312</u>

Business-type note payable, due to other government, compensated absences, net pension liability, and OPEB liability will be liquidated by those activities

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

J. Fund balance/net position

Minimum fund balance/net position policy. In the general fund, the City strives to maintain an unassigned fund balance at least the equivalent of sixty days of the budgeted general fund operating expenditures, excluding capital outlay. The proprietary fund is to maintain an unrestricted net position at least the equivalent of seventy-five days of the proprietary fund budgeted operating expenses, excluding capital outlay. As of September 30, 2025 the general fund was in compliance with this policy by approximately \$580,000 and the proprietary fund was in compliance with this policy by approximately \$9,873,000.

K. Interfund receivables and payables

The composition of interfund balances as of September 30, 2025 is as follows:

FUND		AMOUNT	
Receivable	Payable	Receivable	Payable
Capital Projects	Water & Sewer	\$ 794,486	\$
Capital Projects	General		3,628,728
Court Building	General	152	
Court Technology	General	7,322	
General	Water & Sewer	668,453	
General	Capital Projects	3,628,728	
General	Court Building		152
General	Service Fund	300	
General	Seizure Fund		4,000
General	Court Technology		7,322
General	TIF District		1,170
Seizure Fund	General	4,000	
Debt Service Fund	General		300
TIF District	General	1,170	
Water & Sewer	General		668,453
Water & Sewer	Capital Projects		794,486
Totals		\$ 5,104,611	\$ 5,104,611

Due to/from other funds and advances:

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

The interfund balances resulted from the General fund borrowing these amounts for operational expenditures; these balances are not scheduled to be collected in the subsequent year.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

L. Interfund transfers

The composition of interfund transfers as of September 30, 2025 is as follows:

FUND		AMOUNT	
Transfer In	Transfer Out	Transfer In	Transfer Out
General	Capital Projects	\$	\$ 5,674,367
Capital Projects	General	5,715,071	
General	TIF District	582,007	
TIF District	General		582,007
Capital Projects	Water & Sewer	6,010,120	
Water & Sewer	General		6,050,824
		\$ 12,307,198	\$ 12,307,198

Transfers are primarily used to move funds from the Capital Projects fund to the Water and Sewer fund for capital asset acquisition.

M. Discretely presented component unit

1. Community Development Corporation

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Corporation’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully insured or collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year end the bank balance of the Wilmer Community Development Corporation’s deposits was \$3,156,106. Of the bank balance, \$250,000 was covered by federal depository insurance. The remainder was covered by collateral pledged in the CDC’s name in the amount of \$3,226,604. The Collateral was held in the CDC’s name by the safekeeping departments of the pledging bank’s agent.

Significant commitments. In January 2016, the Corporation entered into a performance agreement with Medline Industries, LLC. (“Owner”). See Note 2.E for details of the agreement.

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – (continued)

M. Discretely presented component unit – continued

2. Economic Development Corporation

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully insured or collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year end the bank balance of the Wilmer Economic Development Corporation's deposits was \$3,630,065. Of the bank balance, \$250,000 was covered by federal depository. The remainder was covered by collateral pledged in the CDC's name in the amount of \$3,697,676. The Collateral was held in the CDC's name by the safekeeping departments of the pledging bank's agent.

Significant commitments. In January 2016, the Corporation entered into a performance agreement with Medline Industries, LLC. ("Owner"). See Note 2.E for details of the agreement.

N. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 3 – DEFINED BENEFIT PENSION PLANS

A. Plan description

The City of Wilmer, Texas participates as one of over 900 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple- employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

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.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 3 – DEFINED BENEFIT PENSION PLANS – (continued)

A. Plan description (continued)

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

B. Benefits provided

Employee Deposit Rate	7%
Municipal current matching ratio	2 to 1
Updated service credits:	
Rate(%)	100%
Year effective	12/1/2020
Increase benefits to retirees:	
Rate(%) ⁽¹⁾	70%
Year effective	1991
Military service credit effective date	
Vesting	5 yrs
Service retirement eligibility	5 years/age 60, 20 yrs/any age
Restricted prior service credit effective date	10-97
Supplemental death benefits:	
Employees	Yes
Retirees	Yes
Statutory maximum (%)	12.50%

(1) For years prior to 1982, the rate is the actual percentage in annuities. For 1982 and later the rate is the percentage of the change in the CPI-U since retirement date, granted to each annuitant as an increase of the original annuity.

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	82
Active employees	83
	<u>200</u>

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 3 – DEFINED BENEFIT PENSION PLANS – (continued)

C. Contributions

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

Employees for the City of Wilmer, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Wilmer, Texas were 10.33% and 10.34% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2025 was \$629,297, and was equal to the required contributions.

D. Net pension (asset) liability

The City's Net Pension (Asset) Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension (Asset) Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 3 – DEFINED BENEFIT PENSION PLANS – (continued)

D. Net pension (asset) liability - continued

Effective December 31, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.00%	7.10%
Core Fixed Income	6.00%	5.00%
Non-Core Fixed Income	6.00%	6.80%
Other Private Markets	4.00%	7.30%
Infrastructure	6.00%	6.00%
Private Debt	13.00%	8.20%
Real Estate	12.00%	6.70%
Hedge Funds	5.00%	6.40%
Private Equity	13.00%	8.50%
Total	<u>100.00%</u>	

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 103% and female rates multiplied by 105%. Based on the size of the City, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013.

These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 3 – DEFINED BENEFIT PENSION PLANS – (continued)

D. Net pension (asset) liability - continued

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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

Discount Rate

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

Changes in the Net Pension (Asset) Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 12/31/2023	\$ 8,069,089	\$ 6,430,299	\$ 1,638,790
Changes for the year:			
Service cost	962,453	-	962,453
Interest	570,674	-	570,674
Difference between expected and actual experience	200,871	-	200,871
Contribution - employer	-	629,297	(629,297)
Contribution - employee	-	454,600	(454,600)
Net investment income	-	669,582	(669,582)
Benefit payments, including refunds of employee contributions	(191,783)	(191,783)	-
Administrative expense	-	(4,285)	4,285
Other changes	-	(101)	101
Net changes	<u>1,542,215</u>	<u>1,557,310</u>	<u>(15,095)</u>
Balance at 12/31/2024	<u>\$ 9,611,304</u>	<u>\$ 7,987,609</u>	<u>\$ 1,623,695</u>

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 3 – DEFINED BENEFIT PENSION PLANS – (continued)

D. Net pension (asset) liability - continued

Sensitivity of the net pension (asset) liability to changes in the discount rate -

The following presents the net pension (asset) liability of the City, calculated using the discount rate of 6.75%, as well as what the City’s net pension (asset) 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:

	<u>1% Decrease in Discount Rate 5.75%</u>	<u>Current Single Rate Assumption 6.75%</u>	<u>1% Increase in Discount Rate 7.75%</u>
City's net pension liability	\$ 3,260,654	\$ 1,623,695	\$ 307,018

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan - Legally required contributions outstanding at the end of the year totaled \$45,507.

E. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2025, the City recognized pension expense of \$720,381.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 517,695	\$ -
Difference between projected and actual investment earnings	312,041	404,465
Differences between actuarial assumptions and actual experience	239,408	-
Changes in actuarial assumptions used	<u>-</u>	<u>22,686</u>
Total	<u>\$ 1,069,144</u>	<u>\$ 427,151</u>

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 3 – DEFINED BENEFIT PENSION PLANS – (continued)

E. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

\$517,695 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Year Ended December 31,</u>	<u>Amount</u>
2025	\$ 82,037
2026	129,071
2027	(51,964)
2028	(34,846)
2029	-
Thereafter	-
Total	<u>\$ 124,298</u>

NOTE 4 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

A. Plan description

Texas Municipal Retirement System (“TMRS”) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (“SDBF”). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn’t meet the definition of a trust under GASB No. 75 (i.e. , no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single-employer, defined benefit OPEB plan. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tMrs.com.

B. Benefits provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 4 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

B. Benefits provided – continued

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

C. Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Number of	
- Inactive employees or beneficiaries currently receiving benefits	12
- Inactive employees entitled to but not yet receiving benefits	8
- Active employees	83
- Total	103

D. Total OPEB liability

The City’s total OPEB liability of \$98,676 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	4.08%
Retirees' share of benefit related cost	\$ 0

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 4 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

D. Total OPEB liability - continued

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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

* The rate is based on the Fidelity 20-Year Municipal GO AA Index daily rate closest to but not later than the Measurement Date.

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 4 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

D. Total OPEB liability - continued

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period December 31, 2022.

Changes in the Total OPEB Liability

Measurement Year	2017	2018	2019	2020	2021	2022	2023	2024
Changes in the Total OPEB Liability								
Total OPEB Liability - beginning of year	\$ 50,016	\$ 62,346	\$ 69,790	\$ 92,161	\$ 113,855	\$ 121,060	\$ 85,919	\$ 94,717
Changes for the year								
Service Cost	5,208	7,126	4,864	7,624	10,879	13,062	6,511	8,443
Interest on Total OPEB Liability	1,982	2,174	2,675	2,635	2,372	2,333	3,568	3,681
Differences between expected and actual experience		4,509	(1,980)	(5,456)	(8,859)	1,064	(4,051)	446
Changes in assumptions or other inputs	5,526	(5,890)	17,068	17,209	4,173	(50,017)	4,940	(6,013)
Benefit payments **	(386)	(475)	(256)	(318)	(1,360)	(1,583)	(2,170)	(2,598)
Net Changes	12,330	7,444	22,371	21,694	7,205	(35,141)	8,798	3,959
Total OPEB Liability - end of year	\$ 62,346	\$ 69,790	\$ 92,161	\$ 113,855	\$ 121,060	\$ 85,919	\$ 94,717	\$ 98,676

** Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the total OPEB liability to changes in the discount rate -

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

	1 % Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB Liability	\$ 119,993	\$ 98,676	\$ 82,164

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 4 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

E. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of \$8,205. At September 30, 2025, the City reported deferred outflows of resources and related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 1,523	\$
Differences between actuarial assumptions and actual experience	1,354	9,183
Changes in actuarial assumptions used	<u>14,195</u>	<u>35,579</u>
Total	<u>\$ 17,072</u>	<u>\$ 44,762</u>

\$1,523 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 total OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Measurement Year Ended December 31,</u>	<u>Net deferred outflows (inflows) of resources</u>
2025	\$ (4,238)
2026	(5,674)
2027	(7,071)
2028	(7,382)
2029	(3,612)
Thereafter	<u>(1,236)</u>
Total	<u>\$ (29,213)</u>

CITY OF WILMER, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 4 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (continued)

F. Payable to the OPEB Plan

At September 30, 2025, the City reported a payable of \$1,561 for the outstanding amount of contributions to the Plan required for the year ended September 30, 2025.

NOTE 5 – SUBSEQUENT EVENTS

Management has reviewed all material subsequent events and transactions which occurred after the balance sheet date through February 19, 2026 (the date that financial statements became available for release).

REQUIRED SUPPLEMENTARY INFORMATION

These supplementary schedules are included to supplement the basic financial statements as required by the Governmental Accounting Standards Board.

CITY OF WILMER, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget
Revenues				
Taxes:				
Property	\$ 6,140,000	\$ 6,140,000	\$ 7,132,642	\$ 992,642
Sales	6,187,143	6,187,143	6,303,911	116,768
Franchise	379,600	379,600	414,312	34,712
Alcoholic beverage	4,386	4,386	6,232	1,846
Licenses and permits	1,067,004	1,067,004	1,012,301	(54,703)
Fines and forfeitures	510,177	510,177	816,310	306,133
Charges for current services	502,590	502,590	706,419	203,829
Revenues from use of money	135,000	135,000	153,220	18,220
Other	46,950	46,950	415,146	368,196
Intergovernmental	110,250	110,250	-	(110,250)
Total revenues	<u>15,083,100</u>	<u>15,083,100</u>	<u>16,960,493</u>	<u>1,877,393</u>
Expenditures:				
Current:				
General government	2,464,363	2,464,363	5,406,089	(2,941,726)
Public safety	7,975,590	7,975,590	11,386,793	(3,411,203)
Community services	311,373	311,373	163,225	148,148
Community development	2,839,210	2,839,210	778,906	2,060,304
Nondepartmental	2,504,522	2,504,522	2,544,276	(39,754)
Total expenditures	<u>16,095,058</u>	<u>16,095,058</u>	<u>20,279,289</u>	<u>(4,184,231)</u>
Excess of revenues over expenditures	<u>(1,011,958)</u>	<u>(1,011,958)</u>	<u>(3,318,796)</u>	<u>(2,306,838)</u>
Other financing sources (uses):				
Bonds issued	-	-	1,315,000	(1,315,000)
Transfers in (out)	-	-	5,092,359	5,092,359
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,407,359</u>	<u>3,777,359</u>
Net change in fund balances	(1,011,958)	(1,011,958)	3,088,563	4,100,521
Fund balances, October 1	<u>667,032</u>	<u>\$ 667,032</u>	<u>\$ 667,032</u>	<u>\$ -</u>
Prior period adjustments	-	-	(468,150)	468,150
Fund balances, September 30	<u>\$ (344,926)</u>	<u>\$ (344,926)</u>	<u>\$ 3,287,445</u>	<u>\$ 4,568,671</u>

CITY OF WILMER, TEXAS
 COURT SECURITY FEES
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts <u>Original</u>	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 17,814	\$ (7,186)
Revenues from use of money	2,000	2,000	10,671	8,671
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>28,485</u>	<u>1,485</u>
Expenditures:				
Current:				
Public safety	13,250	13,250	152	13,098
Total expenditures	<u>13,250</u>	<u>13,250</u>	<u>152</u>	<u>13,098</u>
Excess of revenues over expenditures	<u>13,750</u>	<u>13,750</u>	<u>28,333</u>	<u>14,583</u>
Net change in fund balances	13,250	13,250	28,333	14,583
Fund balances, October 1	<u>599,856</u>	<u>599,856</u>	<u>599,856</u>	<u>-</u>
Fund balances, September 30	<u><u>\$ 599,856</u></u>	<u><u>\$ 613,106</u></u>	<u><u>\$ 628,189</u></u>	<u><u>\$ 14,583</u></u>

CITY OF WILMER, TEXAS
 COURT TECHNOLOGY FEES
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ 22,000	\$ 22,000	\$ 14,852	\$ (7,148)
Revenues from use of money	1,600	1,600	8,083	6,483
Total revenues	<u>23,600</u>	<u>23,600</u>	<u>22,935</u>	<u>(665)</u>
Expenditures:				
Current:				
Public safety	20,750	27,950	21,054	6,896
Total expenditures	<u>20,750</u>	<u>27,950</u>	<u>21,054</u>	<u>6,896</u>
Excess of revenues over expenditures	<u>2,850</u>	<u>(4,350)</u>	<u>1,881</u>	<u>6,231</u>
Net change in fund balances	2,850	(4,350)	1,881	6,231
Fund balances, October 1	<u>417,947</u>	<u>417,947</u>	<u>417,947</u>	<u>-</u>
Fund balances, September 30	<u>\$ 420,797</u>	<u>\$ 413,597</u>	<u>\$ 419,828</u>	<u>\$ 6,231</u>

CITY OF WILMER, TEXAS
 CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues				
Revenues from use of money	\$ -	\$ -	\$ 1,088,850	\$ 1,088,850
Other	-	-	8,798	8,798
Total revenues	<u>-</u>	<u>-</u>	<u>1,097,648</u>	<u>1,097,648</u>
Expenditures:				
Capital Outlay	-	-	10,559,647	(10,559,647)
Total expenditures	<u>-</u>	<u>-</u>	<u>10,559,647</u>	<u>(10,559,647)</u>
Excess of revenues over expenditures	-	-	(9,461,999)	(9,461,999)
Other financing sources (uses):				
Transfers in (out)	-	-	(11,725,191)	(11,725,191)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(11,725,191)</u>	<u>(11,725,191)</u>
Net change in fund balances	-	-	(21,187,190)	(21,187,190)
Fund balances, October 1	<u>29,335,981</u>	<u>29,335,981</u>	<u>29,335,981</u>	<u>-</u>
Fund balances, September 30	<u>\$ 29,335,981</u>	<u>\$ 29,335,981</u>	<u>\$ 8,148,791</u>	<u>\$ (21,187,190)</u>

CITY OF WILMER, TEXAS
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ 3,204,100	\$ 3,204,100	\$ 2,923,947	\$ (280,153)
Revenues from use of money	-	-	9,135	9,135
Total revenues	<u>3,204,100</u>	<u>3,204,100</u>	<u>2,933,082</u>	<u>(271,018)</u>
Expenditures:				
Current:				
Principal	760,000	760,000	1,728,000	(968,000)
Interest & fiscal charges	<u>1,302,184</u>	<u>1,302,184</u>	<u>1,519,735</u>	<u>(217,551)</u>
Total expenditures	2,062,184	2,062,184	3,247,735	(1,185,551)
Excess of revenues over expenditures	<u>1,141,916</u>	<u>1,141,916</u>	<u>(314,653)</u>	<u>(1,456,569)</u>
Other Revenue and Financing Sources (Uses)				
Economic Gain on Defeasance	-	-	31,903	31,903
Total Other Revenues and Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>31,903</u>	<u>31,903</u>
Net change in fund balances	1,141,916	1,141,916	(282,750)	(1,424,666)
Fund balances, October 1	<u>913,447</u>	<u>913,447</u>	<u>913,447</u>	<u>-</u>
Fund balances, September 30	<u>\$ 2,055,363</u>	<u>\$ 2,055,363</u>	<u>\$ 630,697</u>	<u>\$ (1,424,666)</u>

CITY OF WILMER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS

Plan Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
A. Total Pension Liability										
Service cost	\$ 111,907	\$ 136,165	\$ 207,154	\$ 256,550	\$ 270,327	\$ 391,072	\$ 428,350	\$ 494,388	\$ 775,321	\$ 962,453
Interest (on the Total Pension Liability)	176,297	190,520	209,470	230,970	254,879	289,714	308,028	338,921	486,144	570,674
Changes of benefit terms	-	-	-	-	-	63,639	-	-	1,386,053	-
Difference between expected and actual experience	(2,679)	38,276	(3,850)	(18,339)	(811)	(229,335)	(47,374)	64,885	145,428	200,871
Change of assumptions	87,739	46,585	-	-	3,751	-	-	-	(45,374)	-
Benefits payments, including refunds of employee contributions	(107,319)	(132,023)	(124,044)	(113,854)	(129,873)	(142,292)	(255,259)	(273,430)	(213,819)	(191,783)
Net Change in Total Pension Liability	265,945	279,523	288,730	355,327	398,273	372,798	433,745	624,764	2,533,753	1,542,215
Total Pension Liability - Beginning	2,516,231	2,782,176	3,061,699	3,350,429	3,705,756	4,104,029	4,476,827	4,910,572	5,535,336	8,069,089
Total Pension Liability - Ending (a)	\$ 2,782,176	\$ 3,061,699	\$ 3,350,429	\$ 3,705,756	\$ 4,104,029	\$ 4,476,827	\$ 4,910,572	\$ 5,535,336	\$ 8,069,089	\$ 9,611,304
B. Plan Fiduciary Net Position										
Contributions - employer	\$ 32,083	\$ 29,474	\$ 70,068	\$ 108,540	\$ 120,316	\$ 145,028	\$ 183,920	\$ 214,537	\$ 284,845	\$ 629,297
Contributions - employee	68,993	76,756	115,728	142,528	153,595	193,489	237,972	277,079	379,793	454,600
Net investment income	4,254	194,502	421,894	(105,525)	549,774	322,481	621,557	(405,598)	621,947	669,582
Benefit payments, including refunds of employee contributions	(107,319)	(132,023)	(124,044)	(113,854)	(129,873)	(142,292)	(255,259)	(273,430)	(213,819)	(191,783)
Administrative expense	(2,591)	(2,197)	(2,187)	(2,041)	(3,106)	(2,086)	(2,873)	(3,505)	(3,948)	(4,285)
Other	(128)	(118)	(111)	(107)	(92)	(80)	19	4,182	(28)	(101)
Net Change in Plan Fiduciary Net Position	(4,708)	166,394	481,348	29,541	690,614	516,540	785,336	(186,735)	1,068,790	1,557,310
Plan Fiduciary Net Position - Beginning	2,883,179	2,878,471	3,044,865	3,526,213	3,555,754	4,246,368	4,762,908	5,548,244	5,361,509	6,430,299
Plan Fiduciary Net Position - Ending (b)	\$ 2,878,471	\$ 3,044,865	\$ 3,526,213	\$ 3,555,754	\$ 4,246,368	\$ 4,762,908	\$ 5,548,244	\$ 5,361,509	\$ 6,430,299	\$ 7,987,609
C. Net Pension Liability - Ending (a) - (b)	\$ (96,295)	\$ 16,834	\$ (175,784)	\$ 150,002	\$ (142,339)	\$ (286,081)	\$ (637,672)	\$ 173,827	\$ 1,638,790	\$ 1,623,695
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.46%	99.45%	105.25%	95.95%	103.47%	106.39%	112.99%	96.86%	79.69%	83.11%
E. Covered Employee Payroll	1,379,860	1,535,114	1,928,805	2,375,467	2,559,914	3,176,867	3,399,602	3,958,272	5,425,618	6,494,285
F. Net Pension Liability as a Percentage of Total Pension Liability	-6.98%	1.10%	-9.11%	6.31%	-5.56%	-9.01%	-18.76%	4.39%	30.20%	25.00%

CITY OF WILMER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS

Plan Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 30,188	\$ 59,766	\$ 101,146	\$ 108,540	\$ 120,316	\$ 145,028	\$ 183,920	\$ 214,537	\$ 284,845	\$ 629,297
Contributions in relation to the actuarially determined contribution	30,188	59,766	101,146	108,540	120,316	145,028	183,920	214,537	284,845	629,297
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,485,586	\$ 1,857,231	\$ 2,320,723	\$ 2,375,467	\$ 2,559,914	\$ 3,176,867	\$ 3,399,602	\$ 3,958,272	\$ 5,425,618	\$ 6,494,285
Contributions as a percentage of covered employee payroll	2.03%	3.22%	4.36%	4.57%	4.70%	4.57%	5.41%	5.42%	5.25%	9.69%

Notes to Schedule of Contributions

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal
 Amortization Method Level Percentage of Payroll, Closed
 Remaining Amortization Period 20 Years (longest amortization ladder)
 Asset Valuation Method 10 Year smoothed market; 22% soft corridor
 Inflation 2.50%
 Salary Increases 3.60% to 111.85% including inflation
 Investment Rate of Return 6.75%

Retirement Age Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
 Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information

Notes There were no benefit changes during the year.

CITY OF WILMER, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION OPEB
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
LAST EIGHT FISCAL YEARS (PREVIOUS YEARS ARE NOT AVAILABLE)

Measurement Year	2017	2018	2019	2020	2021	2022	2023	2024
Changes in the Total OPEB Liability								
Total OPEB Liability - beginning of year	\$ 50,016	\$ 62,346	\$ 69,790	\$ 92,161	\$ 113,855	\$ 121,060	\$ 85,919	\$ 94,717
Changes for the year								
Service Cost	5,208	7,126	4,864	7,624	10,879	13,062	6,511	8,443
Interest on Total OPEB Liability	1,982	2,174	2,675	2,635	2,372	2,333	3,568	3,681
Differences between expected and actual experience		4,509	(1,980)	(5,456)	(8,859)	1,064	(4,051)	446
Changes in assumptions or other inputs	5,526	(5,890)	17,068	17,209	4,173	(50,017)	4,940	(6,013)
Benefit payments **	(386)	(475)	(256)	(318)	(1,360)	(1,583)	(2,170)	(2,598)
Net Changes	<u>12,330</u>	<u>7,444</u>	<u>22,371</u>	<u>21,694</u>	<u>7,205</u>	<u>(35,141)</u>	<u>8,798</u>	<u>3,959</u>
Total OPEB Liability - end of year	<u>\$ 62,346</u>	<u>\$ 69,790</u>	<u>\$ 92,161</u>	<u>\$ 113,855</u>	<u>\$ 121,060</u>	<u>\$ 85,919</u>	<u>\$ 94,717</u>	<u>\$ 98,676</u>
Covered payroll	\$ 1,928,805	\$ 2,375,467	\$ 2,559,914	\$ 3,176,867	\$ 3,399,602	\$ 3,958,272	\$ 5,425,618	\$ 6,494,285
OPEB liability as a percentabe of covered payroll	3.23%	2.94%	3.60%	3.58%	3.56%	2.17%	1.75%	1.52%

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB 75 paragraph 4b, (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be a single employer unfunded OPEB plan.

In accordance with paragraph 155, the applicable discount rate for an unfunded OPEB is based on an index of tax exempt 20-year municipal bond rates rated as AA or higher. As of December 31, 2024, the discount rate used in the development of the Total OPEB Liability was 4.08% compared to 3.77% as of December 31, 2023.

** Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND - Special revenue fund is used to account for the accumulation of resources for the payment of expenditures related to the Tax Increment Reinvestment Zone. The revenue source is ad valorem tax levied by the City.

CITY OF WILMER, TEXAS
 COMBINING BALANCE SHEET
 ALL NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2025

	Court Security Fees	Court Technology Fees	Consolidated Court Fund	Police Seizure Fund	Tax Increment Finance Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS						
Cash and cash equivalents	\$ 628,341	\$ 421,071	\$ 7,992	\$ 13,965	\$ 32,063	\$ 1,103,432
Receivables (net of allowances for uncollectibles):	-	-	-	-	275,491	275,491
Interfund receivable	-	-	7,322	4,000	-	11,322
Total assets	<u>\$ 628,341</u>	<u>\$ 421,071</u>	<u>\$ 15,314</u>	<u>\$ 17,965</u>	<u>\$ 307,554</u>	<u>\$ 1,390,245</u>
LIABILITIES						
Liabilities:						
Accrued liabilities	\$ -	\$ -	\$ -	\$ 3,857	\$ -	\$ 3,857
Due to other funds	152	1,243	-	-	1,170	2,565
Total liabilities	<u>152</u>	<u>1,243</u>	<u>-</u>	<u>3,857</u>	<u>1,170</u>	<u>6,422</u>
FUND BALANCES:						
Restricted						
Public Safety	628,189	419,828	15,314	14,108	-	1,077,439
Unassigned	-	-	-	-	306,384	306,384
Total fund balances	<u>628,189</u>	<u>419,828</u>	<u>15,314</u>	<u>14,108</u>	<u>306,384</u>	<u>1,383,823</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 628,341</u>	<u>\$ 421,071</u>	<u>\$ 15,314</u>	<u>\$ 17,965</u>	<u>\$ 307,554</u>	<u>\$ 1,390,245</u>

CITY OF WILMER, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 ALL NONMAJOR GOVERNMENTAL FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Court Security Fees	Court Technology Fees	Consolidated Court Fund	Police Seizure Fund	Tax Increment Finance Fund	Total Nonmajor Special Revenue Funds
Revenues						
Fines and forfeitures	\$ 17,814	\$ 14,852	\$ 15,292	\$ 5,881	\$ -	\$ 53,839
Revenues from use of money	10,671	8,083	22	-	54	18,830
Total revenues	<u>28,485</u>	<u>22,935</u>	<u>15,314</u>	<u>5,881</u>	<u>54</u>	<u>72,669</u>
Expenditures						
Current:						
Public safety	152	21,054	-	3,494	275,511	300,211
Total expenditures	<u>152</u>	<u>21,054</u>	<u>-</u>	<u>3,494</u>	<u>275,511</u>	<u>300,211</u>
Excess of Revenues over Expenditures	28,333	1,881	15,314	2,387	(275,457)	(227,542)
Other Revenue and Financing Sources (Uses)						
Transfers in (out)	-	-	-	-	582,007	582,007
Total Other Revenues and Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,007</u>	<u>582,007</u>
Net change in fund balances	28,333	1,881	15,314	2,387	306,550	354,465
Fund balances, October 1	599,856	417,947	-	11,721	(166)	1,029,358
Transfer in						
Fund balances, September 30	<u>\$ 628,189</u>	<u>\$ 419,828</u>	<u>\$ 15,314</u>	<u>\$ 14,108</u>	<u>\$ 306,384</u>	<u>\$ 1,383,823</u>

ENTERPRISE FUND

Water and Sewer Fund - The City's water and sewer operations are accounted for in this fund.

CITY OF WILMER, TEXAS
WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENSES
ENTERPRISE FUND - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
Operating Revenues						
Water sales	\$ 2,900,000	\$ 2,900,000	\$ 2,632,936	\$ -	\$ 2,632,936	\$ (267,064)
Sewer service	950,000	950,000	930,417	-	930,417	(19,583)
Penalties	51,025	51,025	119,476	-	119,476	68,451
Tap fees	25,000	25,000	6,025	-	6,025	(18,975)
Reconnect fees	6,500	6,500	-	-	-	(6,500)
Miscellaneous	5,150	5,150	356,565	-	356,565	351,415
Total operating revenues	<u>3,937,675</u>	<u>3,937,675</u>	<u>4,045,419</u>	<u>-</u>	<u>4,045,419</u>	<u>107,744</u>
Operating expenses:						
Salaries, wages and benefits	801,121	801,121	676,570	-	676,570	124,551
Supplies	198,400	198,400	173,680	-	173,680	24,720
Other services	616,133	616,133	660,868	-	660,868	(44,735)
Water purchases	944,000	944,000	953,617	-	953,617	(9,617)
Sewer treatment	900,000	900,000	891,658	-	891,658	8,342
Depreciation	-	-	746,002	(746,002)	-	-
Capital Outlay	-	-	-	-	-	-
Total operating expenses	<u>3,459,654</u>	<u>3,459,654</u>	<u>4,102,395</u>	<u>(746,002)</u>	<u>3,356,393</u>	<u>103,261</u>
Operating income (loss)	<u>478,021</u>	<u>478,021</u>	<u>(56,976)</u>	<u>746,002</u>	<u>689,026</u>	<u>211,005</u>
Non-operating revenue (expense)						
Interest income	105	105	15,717	-	15,717	15,612
Bad Debts	-	-	71,389	(71,389)	-	-
Total non-operating revenues (expenses)	<u>105</u>	<u>105</u>	<u>87,106</u>	<u>(71,389)</u>	<u>15,717</u>	<u>15,612</u>
Gain (loss) before transfers and capital contributions	<u>478,126</u>	<u>478,126</u>	<u>30,130</u>	<u>674,613</u>	<u>704,743</u>	<u>226,617</u>
Increase (decrease) in net position	<u>\$ 478,126</u>	<u>\$ 478,126</u>	<u>\$ 6,080,955</u>	<u>\$ 674,613</u>	<u>\$ 6,755,568</u>	<u>\$ 6,277,442</u>

COMPONENT UNIT FINANCIAL STATEMENTS

WILMER ECONOMIC DEVELOPMENT CORPORATION - is responsible for collecting and disbursing the one-fourth percent sales tax to be used for economic development within the City.

WILMER COMMUNITY DEVELOPMENT CORPORATION - is responsible for collecting and disbursing the one-fourth percent sales tax to be used for community development within the City.

CITY OF WILMER, TEXAS
 COMBINING STATEMENT OF NET POSITION
 DISCRETELY COMPONENT UNITS
 September 30, 2025

	<u>Wilmer Community Development Corporation</u>	<u>Wilmer Economic Development Corporation</u>	<u>Total Discretely Component Units</u>
ASSETS			
Cash and cash equivalents	\$ 3,851,806	\$ 4,957,528	\$ 8,809,334
Due from other governments	135,400	126,364	261,764
Due from primary government	3,883,411	3,883,411	7,766,822
Other Receivables	97,082	12,500	109,582
Capital assets, net	1,890,902	661,092	2,551,994
Total assets	<u>9,858,601</u>	<u>9,640,895</u>	<u>19,499,496</u>
LIABILITIES			
Accounts payable and accrued liabilities	573,885	557,927	1,131,812
Due to other governments	-	14,606	14,606
Total liabilities	<u>573,885</u>	<u>572,533</u>	<u>1,146,418</u>
NET POSITION			
Restricted for:			
Community development	9,284,716	-	9,284,716
Economic development	-	9,068,362	9,068,362
Unrestricted	-	-	-
Total net position	<u>\$ 9,284,716</u>	<u>\$ 9,068,362</u>	<u>\$ 18,353,078</u>

CITY OF WILMER, TEXAS
 COMBINING STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNITS
 FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Capital Grants and Contributions	Component Units		
				Wilmer Community Development Corporation	Wilmer Economic Development Corporation	Total
DISCRETE COMPONENT UNITS:						
Wilmer Community Development Corporation						
Administration	\$ 2,258,460	\$ -	\$ -	\$ (2,258,460)	\$ -	\$ (2,258,460)
Total Wilmer Economic Development Corporation	<u>2,258,460</u>	<u>-</u>	<u>-</u>	<u>(2,258,460)</u>	<u>-</u>	<u>(2,258,460)</u>
Wilmer Economic Development Corporation						
Administration	1,958,067	-	-	-	(1,958,067)	(1,958,067)
	<u>\$ 4,216,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,258,460)</u>	<u>(1,958,067)</u>	<u>(4,216,527)</u>
General revenues:						
Sales taxes				3,151,956	3,151,956	6,303,912
Unrestricted investment earnings				41,088	58,073	99,161
Miscellaneous				10,259	-	10,259
Total general revenues and transfers				<u>3,203,303</u>	<u>3,210,029</u>	<u>6,413,332</u>
Change in net position				944,843	1,251,962	2,196,805
Prior period adjustment				1,270,932	-	1,270,932
Net position at beginning of year				7,068,941	\$ 7,816,400	14,885,341
Net position at end of year				<u>\$ 9,284,716</u>	<u>\$ 9,068,362</u>	<u>\$ 18,353,078</u>

CITY OF WILMER, TEXAS
 COMBINING BALANCE SHEET
 DISCRETELY PRESENTED COMPONENT UNITS
 September 30, 2025

	<u>Wilmer Community Development Corporation</u>	<u>Wilmer Economic Development Corporation</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 3,851,806	\$ 4,957,528	\$ 8,809,334
Due from primary government	3,883,411	3,883,411	7,766,822
Due from other governments	135,400	126,364	261,764
Other Receivables	97,082	12,500	109,582
Capital assets, net	<u>1,890,902</u>	<u>661,092</u>	<u>2,551,994</u>
 Total assets	 <u>\$ 9,858,601</u>	 <u>\$ 9,640,895</u>	 <u>\$ 19,499,496</u>
 LIABILITIES			
Accounts payable and other current liabilities	573,885	557,927	1,131,812
Due to other governments	-	14,606	14,606
Total liabilities	<u>573,885</u>	<u>572,533</u>	<u>1,146,418</u>
 Fund balances:			
Restricted for:			
Community Development	9,284,716	-	9,284,716
Economic Development	-	9,068,362	9,068,362
Total fund balances	<u>9,284,716</u>	<u>9,068,362</u>	<u>18,353,078</u>
 Total liabilities and fund balances	 <u>\$ 9,858,601</u>	 <u>\$ 9,640,895</u>	 <u>\$ 19,499,496</u>

CITY OF WILMER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Wilmer Community Development Corporation	Wilmer Economic Development Corporation	Total Governmental Funds
Revenues:			
Sales taxes	\$ 3,151,956	\$ 3,151,956	\$ 6,303,912
Interest Income	41,088	58,073	99,161
Miscellaneous	10,259	-	10,259
Total revenues	<u>3,203,303</u>	<u>3,210,029</u>	<u>6,413,332</u>
Expenditures:			
Current:			
Community development	2,258,460	-	2,258,460
Economic development	-	1,958,067	1,958,067
Total expenditures	<u>2,258,460</u>	<u>1,958,067</u>	<u>4,216,527</u>
Excess of revenues over expenditures	<u>944,843</u>	<u>1,251,962</u>	<u>2,196,805</u>
Net change in fund balances	944,843	1,251,962	2,196,805
Prior period adjustment	1,270,932	-	1,270,932
Fund balances, October 1	<u>7,068,941</u>	<u>7,816,400</u>	<u>14,885,341</u>
Fund balances, September 30	<u>\$ 9,284,716</u>	<u>\$ 9,068,362</u>	<u>\$ 18,353,078</u>

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

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_____, 2026

WE HAVE ACTED as Bond Counsel for the CITY OF WILMER, TEXAS, (the “City”) in connection with an issue of refunding bonds (the “Bonds”) described as follows:

CITY OF WILMER, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026, dated May 15, 2026, in the aggregate principal amount of \$14,260,000 maturing on September 1 in the years 2026 through and including 2037. The Bonds are issuable in fully registered form only, in denominations of \$5,000 or integral multiples thereof, bear interest and may be transferred and exchanged as set out in the Bonds and in the ordinance (the “Ordinance”) adopted by the City Council of the City (the “City Council”) authorizing their issuance.

WE HAVE ACTED as 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. In such capacity we have examined the Constitution and laws of the State of Texas and a transcript of certain certified proceedings pertaining to the issuance of the Bonds and the obligations that are being refunded (the “Refunded Obligations”) with the proceeds of the Bonds, as described in the Ordinance. The transcript contains certified copies of certain proceedings of the City, BOKF, NA (the “Escrow Agent”) and the report (the “Report”) of Robert Tomas CPA, LLC, which verifies the sufficiency of the deposits made with the Escrow Agent for the defeasance of the Refunded Obligations and the mathematical accuracy of certain computations of the yield on the Bonds and the obligations acquired with the proceeds of the Bonds, certain certifications and representations and other material facts within the knowledge and control of the City, upon which we rely; and certain other customary documents and instruments authorizing and relating to the issuance of the Bonds and the firm banking arrangements for the discharge and final payment of the Refunded Obligations. We have also examined executed Bond No. I-1 of this issue.

WE HAVE NOT BEEN REQUESTED to examine, and have not investigated or verified, any original proceedings, records, data or other material, but have relied upon the transcript of certified proceedings. We have not assumed any responsibility with respect to the financial condition or capabilities of the City or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the City’s Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

BASED ON SUCH EXAMINATION, it is our opinion as follows:

(1) 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 in effect; the Bonds constitute valid and legally binding obligations of the City enforceable in accordance with the terms and

conditions thereof, except to the extent that the rights and remedies of the owners of the Bonds may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors of political subdivisions and the exercise of judicial discretion in appropriate cases; and the Bonds have been authorized and delivered in accordance with law;

(2) The Bonds are payable, both as to principal and interest, from the receipts of an annual ad valorem tax levied, within the limits prescribed by law, upon taxable property located within the City, which taxes have been pledged irrevocably to pay the principal of and interest on the Bonds; and

(3) The escrow agreement between the City and the Escrow Agent (the "*Escrow Agreement*") has been duly executed and delivered and constitutes a binding and enforceable agreement in accordance with its terms; the establishment of the Escrow Fund pursuant to the Escrow Agreement and the deposit made therein constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; the Refunded Obligations, having been discharged and paid are no longer outstanding, and the lien on and pledge of ad valorem taxes and other revenues as set forth in the ordinances authorizing their issuance will be appropriately and legally defeased; the holders of the Refunded Obligations may obtain payment of the principal of, redemption premium, if any, and interest on the Refunded Obligations only out of the funds provided therefor now held for that purpose by the Escrow Agent pursuant to the terms of the Escrow Agreement; and therefor the Refunded Obligations are deemed to be fully paid and no longer outstanding, except for the purpose of being paid from the funds provided therefor in such Escrow Agreement.

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

Respectfully submitted,

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_____, 2026

WE HAVE ACTED as Bond Counsel for the CITY OF WILMER, TEXAS (the “City”) in connection with an issue of certificates of obligation (the “Certificates”) described as follows:

CITY OF WILMER, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026, dated May 15, 2026, in the aggregate principal amount of \$5,835,000, maturing on September 1 in the years 2027 through and including 2046. The Certificates are issuable in fully registered form only, in denominations of \$5,000 or integral multiples thereof, bear interest and may be transferred and exchanged as set out in the Certificates and in the ordinance (the “Ordinance”) adopted by the City Council of the City (the “City Council”) authorizing their issuance.

WE HAVE ACTED as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Certificates under the Constitution and laws of the State of Texas. In such capacity we have examined the Constitution and laws of the State of Texas and a transcript of certain certified proceedings pertaining to the issuance of the Certificates, as described in the Ordinance. The transcript contains certified copies of certain proceedings of the City; certain certifications and representations and other material facts within the knowledge and control of the City, upon which we rely; and certain other customary documents and instruments authorizing and relating to the issuance of the Certificates. We have also examined executed Certificate No. I-1.

WE HAVE NOT BEEN REQUESTED to examine, and have not investigated or verified, any original proceedings, records, data or other material, but have relied upon the transcript of certified proceedings. We have not assumed any responsibility with respect to the financial condition or capabilities of the City or the disclosure thereof in connection with the sale of the Certificates. Our role in connection with the City’s Official Statement prepared for use in connection with the sale of the Certificates has been limited as described therein.

BASED ON SUCH EXAMINATION, it is our opinion as follows:

(1) The transcript of certified proceedings evidences complete legal authority for the issuance of the Certificates in full compliance with the Constitution and laws of the State of Texas presently in effect; the Certificates constitute valid and legally binding obligations of the City enforceable in accordance with the terms and conditions thereof, except to the extent that the rights and remedies of the owners of the Certificates may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors of political subdivisions and

the exercise of judicial discretion in appropriate cases; and the Certificates have been authorized and delivered in accordance with law;

(2) The Certificates are payable, both as to principal and interest, from the receipts of an annual ad valorem tax levied, within the limits prescribed by law, upon taxable property located within the City, which taxes have been pledged irrevocably to pay the principal of and interest on the Certificates; and

(3) The Certificates are further secured by the revenues to be derived from the City's water and sewer system after the payment of all operation and maintenance expenses thereof in a limited (in an amount not to exceed \$1,000) subordinate pledge of certain revenues of the water and sewer system of the City, to the extent that ad valorem taxes are ever insufficient or unavailable for such purposes.

The City has reserved the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind secured by a pledge of the Net Revenues that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of net revenues securing the Certificates.

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

Respectfully submitted,

APPENDIX D

FORMS OF SPECIAL TAX COUNSEL'S OPINIONS

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June 3, 2026

Re: City of Wilmer, Texas
General Obligation Refunding Bonds, Series 2026

Ladies and Gentlemen:

We have served as special tax counsel to the City of Wilmer, Texas (the “City”) in connection with its issuance of its General Obligation Refunding Bonds, Series 2026 (the “Bonds”), in the principal amount of \$14,260,000. The Bonds are authorized by an order adopted by the City Council of the City (the “City Council”) on May 7, 2026 (the “Ordinance”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Ordinance.

We have served as special tax counsel for the sole purpose of rendering an opinion with respect to the exclusion of interest on the Bonds from gross income under federal income tax law. In such capacity we have examined the federal income tax law and a transcript of certain certified proceedings pertaining to the issuance of the Bonds, including the tax certificate of the City dated the date hereof (the “Tax Certificate”), certificates of the City and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinion set forth herein. The transcript contains certified copies of certain proceedings of the City; certain certifications and representations and other material facts within the knowledge and control of the City, upon which we rely; and certain other customary documents and instruments authorizing and relating to the issuance of the Bonds.

Based on our examination as described above and in reliance on the legal opinion of West & Associates L.L.P., as Bond Counsel, dated the date hereof, that the Bonds have been authorized and issued in accordance with the Constitution and laws of the State of Texas and are a valid and legally binding obligation of the City, we are of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The opinion set forth in the first sentence of the immediately preceding paragraph is subject to the condition that the City complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted in the Ordinance and the Tax Certificate executed by the City on the date hereof to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date

of issuance of the Bonds. The Code and the existing regulations, rulings and court decisions thereunder, upon which the foregoing opinion is based, are subject to change, which could prospectively or retroactively result in the inclusion of the interest on the Bonds in gross income of the owners thereof for federal income tax purposes.

The Bonds, together with the City's Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Related Certificates"), are expected to constitute a single issue for federal income tax purposes. As such, the City is subject to the same ongoing federal tax requirements with respect to both the Bonds and the Related Certificates. We have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City in connection with the Related Certificates, and we have assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Related Certificates from gross income under Section 103 of the Code. Failure to comply with such requirements with respect to the Bonds and the Related Certificates could cause interest on such obligations to be included in gross income for federal income tax purposes retroactive to the date of issuance of such indebtedness.

Our opinion is based on existing law, which is subject to change. Such opinion is further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinion to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinion is not a guarantee of result and is not binding on the Internal Revenue Service; rather, such opinion represents our legal judgment as of the date hereof based upon our review of existing law that we deem relevant to such opinion and in reliance upon the representations and covenants referenced above.

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June 3, 2026

Re: City of Wilmer, Texas
Combination Tax and Revenue Certificates of Obligation, Series 2026

Ladies and Gentlemen:

We have served as special tax counsel to the City of Wilmer, Texas (the “City”) in connection with the issuance of its Combination Tax and Revenue Certificates of Obligation, Series 2026 (the “Certificates”), in the principal amount of \$5,835,000. The Certificates are authorized by an order adopted by the City Council of the City (the “City Council”) on May 7, 2026 (the “Ordinance”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Ordinance

We have served as special tax counsel for the sole purpose of rendering an opinion with respect to the exclusion of interest on the Certificates from gross income under federal income tax law. In such capacity we have examined the federal income tax law and a transcript of certain certified proceedings pertaining to the issuance of the Certificates, including the tax certificate of the City dated the date hereof (the “Tax Certificate”), certificates of the City and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinion set forth herein. The transcript contains certified copies of certain proceedings of the City; certain certifications and representations and other material facts within the knowledge and control of the City, upon which we rely; and certain other customary documents and instruments authorizing and relating to the issuance of the Certificates.

Based on our examination as described above and in reliance on the legal opinion of West & Associates, L.L.P., as Bond Counsel, dated the date hereof, that the Certificates have been authorized and issued in accordance with the Constitution and laws of the State of Texas and are a valid and legally binding obligation of the City, we are of the opinion that interest on the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Certificates is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Certificates.

The opinion set forth in the first sentence of the immediately preceding paragraph is subject to the condition that the City complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Certificates in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted in the Ordinance and the Tax Certificate executed by the City on the date hereof, to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of

interest on the Certificates in gross income for federal income tax purposes to be retroactive to the date of issuance of the Certificates. The Code and the existing regulations, rulings and court decisions thereunder, upon which the foregoing opinion is based, are subject to change, which could prospectively or retroactively result in the inclusion of the interest on the Certificates in gross income of the owners thereof for federal income tax purposes.

The Certificates, together with the City's General Obligation Refunding Bonds, Series 2026 (the "Related Bonds"), are expected to constitute a single issue for federal income tax purposes. As such, the City is subject to the same ongoing federal tax requirements with respect to both the Certificates and the Related Bonds. We have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City in connection with the Related Bonds, and we have assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Related Bonds from gross income under Section 103 of the Code. Failure to comply with such requirements with respect to the Certificates and the Related Bonds could cause interest on such obligations to be included in gross income for federal income tax purposes retroactive to the date of issuance of such indebtedness.

Our opinion is based on existing law, which is subject to change. Such opinion is further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinion to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinion is not a guarantee of result and is not binding on the Internal Revenue Service; rather, such opinion represents our legal judgment as of the date hereof based upon our review of existing law that we deem relevant to such opinion and in reliance upon the representations and covenants referenced above.

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

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

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

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

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

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

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

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

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)

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Municipal Advisory Services
Provided By



THE CITY

THE CITY

Wilmer is located in southeast Dallas County, about 14 miles south of downtown Dallas, along both sides of Interstate Highway 45. Wilmer is located in the southeastern corner of Dallas County, west of the Trinity River. The center of town is roughly at the intersection of Interstate Highway 45, and Belt Line Road. Two cities adjoin Wilmer, Hutchins on the north and Lancaster on the west. Wilmer is one of 211 cities that lie within the 13 county Dallas-Ft. Worth-Arlington Metropolitan Statistical Area. The Dallas Independent School District serves the City.

THE COUNTY

Dallas County is a national center for insurance, banking, transportation, electronics, data processing, conventions and trade shows. More than 3,000 manufacturing plants produce such goods as building materials, apparel, food, aviation equipment, oil fields supplies and silicon products. The principal sources of agricultural income are sorghum, wheat, hay, vegetables and livestock. Higher education facilities located within a 35 mile radius of the City include Southern Methodist University, University of North Texas at Dallas, Texas Christian University, University of Dallas, University of Texas at Arlington, University of Texas at Dallas, Dallas Baptist University, Dallas County Community College District, and Paul Quinn College.

LABOR FORCE

Dallas County Employment figures, as reflected by the Texas Workforce Commission, are as follows:

	February 2026	Average Annual			
		2025	2024	2023	2022
Civilian Labor Force	1,435,719	1,438,197	1,433,463	1,400,967	1,380,726
Total Employment	1,374,328	1,379,205	1,375,000	1,344,877	1,327,910
Total Unemployment	61,391	58,992	58,463	56,090	52,816
Percent Unemployed	4.3%	4.1%	4.1%	4.0%	3.8%

Source: Texas Employment Commission.

MAJOR EMPLOYERS

Employer	Number of Employees
T1 Energy	1,400
Medline	800
Amazon	500
Proctor & Gamble	500
Ace Hardware Distribution Center	345
Schneider Carriers	100
Nike / DHL	250
Sprouts Farmers Market Distribution Center	150
Smucker's Distribution Center	150
Kohler	150
Crate & Barrel	150

Source: City officials.

APPENDIX B

EXCERPTS FROM THE
CITY'S ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2025

The information contained in this Appendix consists of excerpts from the City of Wilmer, Texas Annual Financial Report ("Report") for the Year Ended September 30, 2025, 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.

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

APPENDIX D

FORMS OF SPECIAL TAX COUNSEL'S OPINIONS

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY