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

PRELIMINARY OFFICIAL STATEMENT DATED JULY 13, 2026

NEW ISSUE – BOOK-ENTRY-ONLY SYSTEM

Ratings: S&P: "A" (stable)
(See "OTHER INFORMATION – Ratings" and "BOND INSURANCE" herein)

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

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

$7,000,000*
CITY OF BURKBURNETT, TEXAS
(Wichita County)

TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026

Dated Date: August 11, 2026 **Due: February 15, as shown on inside cover page**

PAYMENT TERMS . . . Interest on the $7,000,000* City of Burkburnett, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2026 (the "Certificates") will accrue from the delivery date (the "Delivery Date"), will be payable February 15 and August 15 of each year, commencing February 15, 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 (identified below) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE CERTIFICATES - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company N.A., Pittsburgh, Pennsylvania (see "THE CERTIFICATES - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution and the City's Home Rule Charter and general laws of the State of Texas (the "State"), particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and constitute direct obligations of the City of Burkburnett, Texas (the "City"), payable from a combination of (i) the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge of $1,000 of the Net Revenues of the City's Waterworks and Sewer System (the "System") as provided in the ordinance authorizing the Certificates expected to be adopted by the Board of Commissioners of the City on July 20, 2026 (the "Certificate Ordinance") (see "THE CERTIFICATES - Authority for Issuance" and "THE CERTIFICATES – Security and Source of Payment").

PURPOSE . . . Proceeds from the sale of the Certificates will be used for (i) the construction of public works, to wit: (a) constructing, acquiring, renovating, improving, enlarging, and equipping the City's storm water drainage utility system, including the acquisition of land, easements, and rights-of-way in connection therewith, and (b) constructing, acquiring, renovating, improving, enlarging, and equipping the City's water system, including the acquisition of land, easements, and rights-of-way in connection therewith, (ii) purchasing fire-fighting equipment, including a fire truck, and (iii) professional services rendered in relation to such projects and the financing thereof (see "PLAN OF FINANCING").

BOND INSURANCE . . . The City has submitted applications to municipal bond insurance companies to have the payment of the principal and interest on the Certificates insured by a municipal bond insurance policy. In the event the Certificates are qualified for municipal bond insurance, the Purchaser will be responsible for paying the bond insurer's bond insurance premium. See "BOND INSURANCE" herein.

See Maturity Schedule on Inside Cover Page

LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the initial purchaser of the Certificates (the "Initial Purchaser") and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Dallas, Texas (see Appendix C, "Form of Bond Counsel's Opinion").

DELIVERY . . . It is expected that the Certificates will be available for delivery through the facilities of DTC on August 11, 2026 (the "Delivery Date").

BIDS DUE MONDAY, JULY 20, 2026, AT 11:00 A.M., CENTRAL TIME

**Preliminary, subject to change.*

$7,000,000*
CITY OF BURKBURNETT, TEXAS
(Wichita County)
TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026

MATURITY SCHEDULE*
Base CUSIP No. 121295 (1)

Maturity (February 15)	Principal Amount*	Interest Rate	Initial Price Or Yield	CUSIP Suffix(1)
2027	$100,000			
2028	100,000			
2029	250,000			
2030	260,000			
2031	270,000			
2032	285,000			
2033	300,000			
2034	310,000			
2035	325,000			
2036	345,000			
2037	360,000			
2038	375,000			
2039	395,000			
2040	410,000			
2041	430,000			
2042	450,000			
2043	475,000			
2044	495,000			
2045	520,000			
2046	545,000			

(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. CUSIP numbers are provided for convenience of reference only. None of the City, the Municipal Advisor (as defined herein), or the Initial Purchaser take any responsibility for the accuracy of such numbers.

* Preliminary, subject to change.

REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2037, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2036, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE CERTIFICATES - Optional Redemption"). If two or more consecutive serial maturities of the Certificates are grouped into a single maturity (the "Term Certificates") they will be subject to mandatory sinking fund redemption in accordance with applicable provisions of the Certificate Ordinance and will be described in the final Official Statement (see "THE CERTIFICATES – Mandatory Sinking Fund Redemption").

USE OF INFORMATION IN OFFICIAL STATEMENT

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

No dealer, salesman or any other person has been authorized by the City or by the Initial Purchaser to give any information or to make any representations, other than the information and representations contained herein, in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorized by the City or the Initial Purchaser. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, any of the Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information set forth in this Official Statement has been furnished by the City and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Initial Purchaser. 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 since the date hereof. The delivery of this Official Statement at any time does not imply that the information herein is correct as to any time subsequent to its date. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

The price and other terms representing the offering and sale of the Certificates may be changed from time to time by the Initial Purchaser after the Certificates are released for sale, and the Certificates may be offered and sold at prices other than the initial offering price, including sales to dealers who may sell the Certificates into investment accounts. IN CONNECTION WITH THE OFFERING AND SALE OF THE CERTIFICATES, THE INITIAL PURCHASER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN OPEN MARKETS. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

None of the City, the Municipal Advisor, or the Initial Purchaser make any representation regarding the information contained in this Official Statement regarding The Depository Trust Company ("DTC") or its book-entry-only system, or any municipal bond insurance provider (the "Bond Insurer"), if any, or its policy under "BOND INSURANCE", as such information has been provided by DTC and the Bond Insurer (if any), respectively. See "BOOK-ENTRY-ONLY-SYSTEM".

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

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 THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

TABLE OF CONTENTS

The cover page, this page and the Appendices attached hereto are part of the Official Statement.

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

Board of Commissioners	Term Expires	Occupation
Lori Kemp Mayor	May 2028	Healthcare Executive
Michael Richter Mayor Pro-Tem	May 2028	Executive Director
Cory Brinkley Commissioner, Place 1	May 2027	Fire Inspector
Matt Patterson Commissioner, Place 2	May 2027	Insurance Agent
Susan Mitchell Commissioner, Place 3	May 2028	Cosmetologist
Carl English Commissioner, Place 5	May 2029	Pastor
Bill Lindenborn Commissioner, Place 6	May 2029	Retired

SELECTED ADMINISTRATIVE STAFF

Name	Position	Year of Employment
Lindsey McNabb-Fox	City Manager	2024
Dusty Burkybile	Assistant City Manager / Public Works Director	2024
Nikki Tepfer	City Clerk / HR Director	2022
Mike Alpers	Development Services Director	2024
Tona Alley	Events Coordinator	2024

INDEPENDENT AUDITORS, CONSULTANTS AND ADVISORS

BOND COUNSEL

Norton Rose Fulbright US LLP, Dallas, TX

AUDITOR

MWH Group, P.C., Wichita Falls, Texas

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Austin, Texas

SELECTED DATA FROM THE OFFICIAL STATEMENT

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates (defined herein) 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 Issuer.................	The City of Burkburnett (the "City") is a political subdivision and municipal corporation of the State, located in Wichita County, Texas. The City covers approximately 9.51 square miles (see "INTRODUCTION - Description of the City").
The Certificates..........	The $7,000,000* Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2026 (the " Certificates") are scheduled to mature on February 15 in each of the years 2027 through 2046, inclusive, unless the initial purchaser of the Certificates (the "Initial Purchaser") designates two or more consecutive serial maturities as one or more "Term Certificates" (see "THE CERTIFICATES - Description of the Certificates").
Payment of Interest...	Interest on the Certificates accrues from the delivery date and is payable commencing February 15, 2027 and each August 15 and February 15 thereafter until maturity or prior redemption (see "THE CERTIFICATES - Description of the Certificates" and "THE CERTIFICATES - Optional Redemption").
Authority for Issuance......................	The Certificates are issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and an ordinance expected to be passed by the Board of Commissioners of the City on July 20, 2026 (the "Certificate Ordinance") (see "THE CERTIFICATES - Authority for Issuance" and "THE CERTIFICATES – Security and Source of Payment").
Security for the Certificates...............	The Certificates constitute direct obligations of the City, payable from a combination of (i) an annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge of $1,000 of the Net Revenues of the City's Waterworks and Sewer System (the "System") as provided in the Certificate Ordinance (see "THE CERTIFICATES - Security and Source of Payment").
Redemption Provisions	The City reserves the right, at its option, to redeem the Certificates having stated maturities on and after February 15, 2037, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2036, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE CERTIFICATES - Optional Redemption"). If two or more consecutive serial maturities of the Certificates are grouped into a single maturity (the "Term Certificates") by the Initial Purchaser, such Term Certificates will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Certificate Ordinance and will be described in the final Official Statement (see "THE CERTIFICATES – Mandatory Sinking Fund Redemption").
Book-Entry-Only System........................	The City intends to utilize the Book-Entry-Only System of DTC relating to the method and timing of payment and the method of transfer relating to the Certificates. See "BOOK-ENTRY-ONLY SYSTEM".
Tax Exemption..........	In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law subject to the matters described under "TAX MATTERS" herein.

* *Preliminary, subject to change.*

Qualified Tax-Exempt Obligations	The Certificates will be designated as "Qualified Tax-Exempt Obligations" for financial institutions. See "TAX MATTERS" herein.
Ratings......................	The Certificates and certain of the presently outstanding tax supported debt of the City are rated "A" (stable outlook) by S&P Global Ratings, a division on S&P Global Inc. ("S&P") (see "OTHER INFORMATION - Ratings").
Bond Insurance…….	The City has made application to municipal bond insurance companies to have the payment of the principal and interest on the Certificates insured by a municipal bond insurance policy. If a municipal bond insurance policy is acquired, the Purchaser will pay the bond insurance premium for such policy. (See "BOND INSURANCE" herein).
Use of Certificate Proceeds…………….	Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) constructing, acquiring, renovating, improving, enlarging, and equipping the City's storm water drainage utility system, including the acquisition of land, easements, and rights-of-way in connection therewith, and (b) constructing, acquiring, renovating, improving, enlarging, and equipping the City's water system, including the acquisition of land, easements, and rights-of-way in connection therewith, (ii) purchasing fire-fighting equipment, including a fire truck, and (iii) professional services rendered in relation to such projects and the financing thereof (see "PLAN OF FINANCING – Purpose").
Payment Record……	The City has never defaulted on the payment of its bonded indebtedness.
Delivery Date……….	Delivery of the Certificates is anticipated on or about August 11, 2026.

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SELECTED FINANCIAL INFORMATION

Fiscal Year Ended Sept 30	Estimated Population [(1)]	Taxable Assessed Valuation [(2)]	Taxable Assessed Valuation Per Capita	Debt Outstanding at End of Year	Ratio Debt to Taxable Assessed Valuation	Funded Debt per Capita
2022	11,423	$ 541,295,668	$ 47,386	$ 11,505,000	2.13%	$ 1,007
2023	11,423	612,340,083	53,606	11,285,000	1.84%	988
2024	11,423	683,373,264	59,824	10,430,000	1.53%	913
2025	11,057	724,413,545	65,516	9,935,000	1.37%	899
2026	11,057	768,572,594	69,510	15,960,000 [(3)]	2.08% [(3)]	1,443 [(3)]

(1) Estimated by the City and U.S. Census Bureau.
(2) As reported by the Wichita Appraisal District on the City's annual State Property Tax Reports; subject to change during the ensuing tax year.
(3) Projected, includes the Certificates. Preliminary, subject to change.

For additional information regarding the City, please contact:

Lindsey McNabb-Fox		Blake Roberts
City Manager		Managing Director
City of Burkburnett	or	PFM Financial Advisors LLC
501 Sheppard Road		111 Congress Ave., Suite 2150
Burkburnett, Texas 76354		Austin, Texas 78701
(940) 569-2263		(512) 614-5324

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OFFICIAL STATEMENT

relating to

$7,000,000*
CITY OF BURKBURNETT, TEXAS
(Wichita County)
TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of $7,000,000* City of Burkburnett, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2026 (the "Certificates"). The Certificates are being authorized for issuance under an ordinance (the "Certificate Ordinance") expected to be adopted by the Board of Commissioners of the City of Burkburnett, Texas (the "City") on July 20, 2026. Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Certificate Ordinance, except as otherwise indicated herein. This Official Statement contains descriptions of the Certificates and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Municipal Advisor, PFM Financial Advisors LLC, Austin, Texas.

Description of the City

The City is a political subdivision located in Wichita County operating as a home-rule city under the laws of the State of Texas (the “State”) and a charter approved by the voters in 1923. The City operates under the Council/Manager form of government and the City’s governing body, known as the Board of Commissioners (the "Board"), consists of the Mayor and six Commissioners who are elected for staggered three-year terms. The Board formulates operating policy, while the City Manager is the chief administrative officer. The estimated population for the City as of July 1, 2025 is 11,057. The City covers approximately 9.51 square miles.

PLAN OF FINANCING

Purpose

Proceeds from the sale of the Certificates will be used for (i) the construction of public works, to wit: (a) constructing, acquiring, renovating, improving, enlarging, and equipping the City’s storm water drainage utility system, including the acquisition of land, easements, and rights-of-way in connection therewith, and (b) constructing, acquiring, renovating, improving, enlarging, and equipping the City’s water system, including the acquisition of land, easements, and rights-of-way in connection therewith, (ii) purchasing fire-fighting equipment, including a fire truck, and (iii) professional services rendered in relation to such projects and the financing thereof.

Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds associated with the proceeds from the sale of the Certificates.

Sources of Funds:	
Par Amount of Certificates	
[Net] Reoffering Premium	
Total Sources	
Uses of Funds:	
Deposit to Project Fund	
Issuance Costs	
Initial Purchaser’s Discount	
Total Uses	

**Preliminary, subject to change.*

THE CERTIFICATES

Description

The Certificates are dated August 11, 2026 (the "Dated Date") and mature on February 15 in each of the years and in the amounts shown on page ii 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 February 15 and August 15 of each year, commencing February 15, 2027, until maturity or prior redemption. The definitive Certificates will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. 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 Bank of New York Mellon Trust Company N.A., Pittsburgh, Pennsylvania (the "Paying Agent/Registrar") to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE CERTIFICATES - Book-Entry-Only System" herein.

Authority for Issuance

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

Security and Source of Payment

The principal of and interest on the Certificates is payable from a direct and continuing annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property in the City. Additionally, the Certificates are payable from a limited pledge of $1,000 of the Net Revenues (as defined in the Certificate Ordinance) of the City's Waterworks and Sewer System (the "System"), such pledge of the Net Revenues for the payment of the Certificates being junior and subordinate to the lien on and pledge of such Net Revenues securing the payment of Prior Lien Obligations (as defined in the Certificate Ordinance) now outstanding or hereafter issued by the City.

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, within the limits prescribed by law, sufficient to provide for the payment of principal of and interest on all ad valorem tax debt. Article XI, Section 5, of the Texas Constitution is applicable to the City and provides for a maximum ad valorem tax rate of $2.50 per $100 taxable assessed valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of $2.50 per $100 taxable assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of $1.50 of the $2.50 maximum tax rate for all general obligations debt service, as calculated at the time of issuance based on a 90% collection factor.

Optional Redemption

The City reserves the right, at its option, to redeem the Certificates having stated maturities on and after February 15, 2037, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2036, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City may select the maturities of Certificates to be redeemed. If less than all of the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

Mandatory Sinking Fund Redemption

If two or more consecutive maturities of the Certificates are grouped together as a “Term Certificate” by the Initial Purchaser, such “Term Certificates” will also be subject to mandatory sinking fund redemption in accordance with applicable provisions of the Certificate Ordinance and will be described in the final Official Statement.

Notice of Redemption

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

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Certificate Ordinance have been met and moneys sufficient to pay the redemption price of the Certificates 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 satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

Amendments

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

Defeasance

The Ordinance provides for the defeasance of the Certificates when the payment of the principal of and premium, if any, on the Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar or other authorized entity, in trust (1) money sufficient to make such payment or (2) Government Securities, certified by an independent public accounting firm or other qualified third party firm, to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates being defeased, and thereafter, the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Government Securities. The Certificate Ordinance provides that "Government Securities" means: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Certificates. The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon making such deposit described above, such Certificates shall no longer be deemed outstanding obligations payable from the proceeds of an ad valorem tax but will be payable solely from the cash and securities deposited with the place of payment and will not be considered outstanding debt of the City for purposes of applying any limitation on the City's ability to issue debt or for any other purpose; provided, however, the City has reserved the option, to be exercised at the time of the defeasance of the Certificates, to call for redemption, at an earlier date, those Certificates which have been defeased to their maturity date, if the City: (i) in the proceedings providing for firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Book-EntryOnly System

This section describes how ownership of the certificates is to be transferred and how the principal of, premium, if any, and interest on the Certificates are to be paid to and credited by The Depository Trust Company, New York, New York, ("DTC") while the certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City 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 Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

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

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The 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 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the register and request that copies of the notices be provided directly to them. Redemption notices for the Certificates shall be sent to DTC. If less than all of the Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's 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 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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

Effect of Termination of Book-Entry Only System

In the event that the Book-Entry-Only System of the Certificates is discontinued, printed securities will be issued to the DTC Participants or the holder, as the case may be, and such Certificates will be subject to transfer, exchange and registration provisions as set forth in the Certificate Ordinance and summarized under "THE CERTIFICATES – Transfer, Exchange and Registration" below.

Paying Agent/Registrar

The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company N.A., Pittsburgh, Pennsylvania. In the Certificate Ordinance, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are duly paid and any successor Paying Agent/Registrar shall be a commercial bank, financial institution or trust company or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Certificates. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Certificates affected by the change 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, Certificates will be printed and delivered to the registered owners thereof and thereafter may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Certificates may be assigned by the execution of an assignment form on the Certificates or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Certificates will be delivered by the Paying Agent/Registrar, in lieu of the Certificates being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Certificates to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Certificates surrendered for exchange or transfer. See "Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Certificates. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Certificate.

Record Date of Interest Payment

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

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

Remedies in the Event of Default

The Certificate Ordinance does not specify events of default with respect to the Certificates. If the City defaults in the payment of principal, interest or redemption price, as applicable, on the Certificates when due, or if it fails to make payments into any fund or funds created in the Certificate Ordinance, or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Certificate Ordinance, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Certificates if there is no other available remedy at law to compel performance of the Certificates or the Certificate Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Certificate Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Certificates upon any failure of the City to perform in accordance with the terms of the Certificate Ordinance, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. Cty 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 ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in the contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, holders of the Certificates may not be able to bring such a suit against the City for breach of the Certificates or the covenants in the Certificate Ordinance. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Certificates of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce creditors' rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Certificate Ordinance and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors.

BOND INSURANCE

General

The City has made application to municipal bond insurance companies to have the payment of the principal of and interest on the Certificates insured by a municipal bond insurance policy. No representation is hereby made that the City will use municipal bond insurance in connection with the issuance of the Certificates. The Purchaser shall notify the City if their bid includes a municipal bond insurance policy. The City shall notify the Purchaser upon obtaining a commitment from a municipal bond insurance company concerning this matter. If the City accepts a bid for the Certificates that utilizes municipal bond insurance, the premium for a municipal bond insurance policy (the "Policy") shall be paid by the Purchaser. The final Official Statement shall disclose, to the extent necessary, any relevant information relating to any such municipal bond insurance policy.

Bond Insurance Risk Factors

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

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

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

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

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

Claims-Paying Ability and Financial Strength of Municipal Bond Insurers

Moody's Investor Services, Inc., S&P Global Ratings, 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. Thus, when making an investment decision, potential investors should carefully consider the ability of any such bond insurer to pay principal and interest on the Certificates and the claims-paying ability of any such bond insurer, particularly over the life of the Certificates.

PROPERTY 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 Wichita 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.

Unless extended by future legislation, through December 31, 2026, an appraisal district may only increase the appraised value of real property during the 2026 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than $5.32 million (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% 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 (collectively, the "Appraisal Cap"). 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.

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

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

State Mandated Homestead Exemptions

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

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than $5,000) and (2) an additional exemption of at least $3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may 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.

Temporary Exemption for Qualified Property Damaged by a Disaster

The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes, located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent physically damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. The governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the governor declares the area to be a disaster area. The Texas Legislature amended Section 11.35 of the Property Tax Code to clarify that "damage" for purposes of such statute is limited to "physical damage." For more information on the exemption, reference is made to Section 11.35 of the Property Tax Code.

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.

The City currently has a tax abatement agreement with a skilled nursing facility and abated a total of $15,945 in ad valorem tax revenue to this facility in fiscal year 2025.

See "PROPERTY TAX INFORMATION – Tax Abatement Policy".

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 1.2 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 "PROPERTY 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.

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.

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 (i) zero; or (ii) the sum of the foregone revenue amount for each of the tax years 2023 through 2025 divided by the current total value.

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

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

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.

2025 Regular and Special Legislative Sessions

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.

City Application of Tax Code

The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of $10,000.

The City grants an exemption to disabled veterans.

The City has not granted an additional exemption of 20% of the market value of residence homesteads; minimum exemption of $5,000.

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

The City has not adopted the tax freeze for citizens who are disabled or are 65 years of age or older, which became a local option and subject to local referendum on January 1, 2004.

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. Wichita County collects taxes for the City.

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

The City does not tax goods-in-transit.

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

Tax Abatement Policy

The City has adopted a Tax Abatement Policy within its Tax Increment Financing Reinvestment Zone Number One, pursuant to which the City may enter into ad valorem tax abatement agreements with qualifying businesses to incentivize capital investment and job creation along the Interstate 44 corridor. Abatements are available exclusively to primary employers and are structured on a ten-year declining schedule, beginning at 100% of the incremental ad valorem tax liability in the first year improvements are placed in service and reducing by 10% annually until the abatement ceases entirely in the tenth year, with the specific terms of each agreement negotiated on a case-by-case basis based upon the project's level of capital investment and the number of jobs created.

For the fiscal year ended September 30, 2025, the City abated a total of $15,945 in ad valorem taxes to a skilled nursing facility under this program. The abatement expires in 2028.

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TABLE 1 – VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2025/2026 Market Valuation Established by Wichita Appraisal District		$885,945,207	
Less Exemptions/Reductions at 100% Market Value:			
Over 65 Exemptions/Disabled	$8,153,286		
Disabled Veteran's Exemptions	73,877,832		
Abatement Exemption	1,776,544		
Pollution Control	628,095		
Solar	4,214,718		
Cap Loss	20,294,437		
Agricultural Land Use Reductions	8,427,701	$117,372,613	
2025/2026 Taxable Assesed Valuation		$768,572,594	
Outstanding Debt Payable from Ad Valorem Taxes		$ 9,935,000	
Plus: The Certificates[1]		7,000,000	[1]
Total Debt Payable from Ad Valorem Taxes[1]		$ 16,935,000	
Ratio of Debt to Net Taxable Assessed Valuation		$ 16,935,000	
2025 Estimated Population	11,057		
Per Capita Taxable Assessed Valuation	69,510		
Per Capita Funded Debt	899		
Per Capita Debt	1,532		

(1) Preliminary, subject to change. Includes the Certificates.

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TABLE 2 – TAXABLE ASSESSED VALUATION BY CATEGORY

	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2026		2025		2024	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$707,126,869	79.82%	$668,187,733	79.38%	$630,487,245	79.38%
Real, Residential, Multi-Family	17,644,649	1.99%	16,200,818	1.92%	15,566,873	1.96%
Real, Vacant Lots/Tracts	5,993,932	0.68%	4,243,060	0.50%	5,029,067	0.63%
Real, Acreage (Land Only)	9,363,956	1.06%	8,870,530	1.05%	8,303,077	1.05%
Real, Farm and Ranch Improvements	6,424,057	0.73%	5,578,694	0.66%	5,228,358	0.66%
Real, Commercial	61,944,829	6.99%	60,392,124	7.17%	57,787,771	7.28%
Real, Industrial	6,559,425	0.74%	6,283,294	0.75%	6,090,886	0.77%
Real Oil, Gas and Minerals	594,980	0.07%	471,290	0.06%	484,950	0.06%
Real and Personal Utility	18,985,336	2.14%	17,093,416	2.03%	13,664,760	1.72%
Personal Commercial	27,569,464	3.11%	28,002,994	3.33%	27,941,427	3.52%
Personal Industrial	15,082,392	1.70%	17,284,517	2.05%	15,640,379	1.97%
Tangible Personal, Mobile Homes	2,440,071	0.28%	2,394,577	0.28%	2,228,536	0.28%
Special Inventory	6,191,997	0.70%	6,481,751	0.77%	5,766,675	0.73%
Real Property Inventory	23,250	0.00%	301,360	0.04%	33,500	0.00%
Total Appraised Value Before Exemptions	$885,945,207	100.00%	$841,786,158	100.00%	$794,253,504	100.00%
Less: Total Exemptions/Reductions	117,372,613		117,372,613		110,880,240	
Taxable Assessed Value	$768,572,594		$724,413,545		$ 683,373,264	

	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2023		2022	
Category	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$ 570,838,938	79.56%	$ 459,151,593	77.27%
Real, Residential, Multi-Family	13,039,936	1.82%	11,706,026	1.97%
Real, Vacant Lots/Tracts	4,315,440	0.60%	3,701,602	0.62%
Real, Acreage (Land Only)	6,795,965	0.95%	6,054,216	1.02%
Real, Farm and Ranch Improvements	4,527,745	0.63%	3,807,680	0.64%
Real, Commercial	50,992,134	7.11%	44,725,713	7.53%
Real, Industrial	5,917,387	0.82%	5,371,799	0.90%
Real Oil, Gas and Minerals	376,200	0.05%	290,320	0.05%
Real and Personal Utility	15,006,366	2.09%	16,321,478	2.75%
Personal Commercial	24,716,512	3.44%	23,462,747	3.95%
Personal Industrial	13,326,620	1.86%	12,341,379	2.08%
Tangible Personal, Mobile Homes	2,061,724	0.29%	1,392,188	0.23%
Special Inventory	5,578,704	0.78%	5,822,586	0.98%
Real Property Inventory	30,150	0.00%	47,875	0.01%
Total Appraised Value Before Exemptions	$ 717,523,821	100.00%	$ 594,197,202	100.00%
Less: Total Exemptions/Reductions	105,183,738		52,901,534	
Taxable Assessed Value	$ 612,340,083		$ 541,295,668	

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

TABLE 3 – VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended Sept 30	Estimated Population [(1)]	Taxable Assessed Valuation [(2)]	Taxable Assessed Valuation Per Capita	Debt Outstanding at End of Year	Ratio Debt to Taxable Assessed Valuation	Funded Debt per Capita
2022	11,423	$ 541,295,668	$ 47,386	$ 11,505,000	2.13%	$ 1,007
2023	11,423	612,340,083	53,606	11,285,000	1.84%	988
2024	11,423	683,373,264	59,824	10,430,000	1.53%	913
2025	11,057	724,413,545	65,516	9,935,000	1.37%	899
2026	11,057	768,572,594	69,510	15,960,000 [(3)]	2.08% [(3)]	1,443 [(3)]

(1) Estimate provided by City staff.
(2) As reported by the Appraisal District on City's annual State Property Tax Board Reports; subject to change during the year.
(3) Projected. Includes the Certificates. Preliminary, subject to change.

TABLE 4 – TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution General Fund	Distribution Interest and Sinking Fund	Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
2022	0.714521	0.544042	0.170479	3,867,671	100.03%	99.75%
2023	0.671453	0.519611	0.151842	4,111,576	100.30%	99.60%
2024	0.638186	0.492104	0.146082	4,361,192	99.06%	99.36%
2025	0.640382	0.499169	0.141213	4,641,407	97.45%	98.73%
2026	0.678251	0.547248	0.131003	5,212,851 (1)	91.12% (2)	91.63% (2)

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

TABLE 5 – TEN LARGEST TAXPAYERS

Taxpayer Name[(1)]	Nature of Property	2025/26 Taxable Value	% of Total Taxable Value
Fiberglass Systems LP	Industrial	$ 8,238,819	1.07%
Techvestors Burkburnett Residences LLC	Apartments	7,600,000	0.99%
Oncor Electric Delivery Co	Electric Utility/Power	5,625,780	0.73%
Atmos Energy Mid TX Dist U	Utility	4,756,460	0.62%
Burke NH Realty LTD	Real Estate	4,277,712	0.56%
Cheney Brothers Properties LLC	Real Estate	3,873,925	0.50%
Lipscomb Ford LP	Car Dealership	3,777,026	0.49%
Mullins Homes LLC	Real Estate	3,298,999	0.43%
Helena Agri Enterprises LLC	Chemical Plant	3,285,034	0.43%
Fiberglass Systems LP	Industrial	3,184,724	0.41%
		$ 47,918,479	6.23%

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

General Obligation Debt Limitation . . . No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "THE CERTIFICATES – Tax Rate Limitation").

TABLE 6 – TAX ADEQUACY

2026 Principal and Interest Requirements		$ 1,357,812
Required Tax Rate at 98% Collections Produces[(1)]	$ 0.1803	1,357,871
Maximum Principal and Interest Requirements (2028)		$ 1,738,637
Required Tax Rate at 98% Collections Produces	$ 0.2308	1,738,690
Average Principal and Interest Requirements (2026-2043)		$ 1,121,321
Required Tax Rate at 98% Collection Produces	$ 0.1489	1,121,366

[(1)] The City's debt service rate in fiscal year 2026 was set at $0.1310. The city made a portion of its debt service payments from other enterprise system revenues and funds on hand. If the enterprise system revenues are not sufficient to provide for the payment of such obligations, the City will be required to levy and collect ad valorem taxes sufficient to provide for the payment of the principal and interest on such obligations.

TABLE 7 – ESTIMATED OVERLAPPING DEBT

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

Taxing Jurisdiction	Total Tax Debt	Estimate Percentage Applicable	Overlapping Tax Debt as of June 30, 2026
City of Burkburnett	$15,995,000 [(1)]	100.00%	$15,995,000 [(1)]
Burkburnett ISD	$22,015,000	74.06%	$16,304,309
Wichita Co	$53,525,000	7.04%	$3,768,160
Total Direct and Overlapping Tax Debt			$36,067,469 [(1)]
Ratio of Direct and Overlapping Tax Debt to Taxable Assessed Valuation			4.69% [(1)]
Per Capita Overlaping Tax Debt			$ 3,262 [(1)]

[(1)] Includes the Certificates. Preliminary, subject to change.

TABLE 8 – DEBT SERVICE REQUIREMENTS

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Fiscal Year End September 30	Existing Debt Service[(1)]	Plus: The Certificates[(2)] Principal	Interest	Debt Service	Total Tax-Supported Debt Service Requirements[(1)(2)]	% of Principal Retired
2026	$ 1,357,812	$ -	$ -	$ -	$ 1,357,812	
2027	1,172,104	100,000	334,347	434,347	1,606,451	
2028	1,179,137	100,000	327,750	427,750	1,606,887	
2029	1,059,903	250,000	323,000	573,000	1,632,903	
2030	1,049,738	260,000	311,125	571,125	1,620,863	29%
2031	1,053,198	270,000	298,775	568,775	1,621,973	
2032	1,049,840	285,000	285,950	570,950	1,620,790	
2033	1,044,883	300,000	272,413	572,413	1,617,295	
2034	994,775	310,000	258,163	568,163	1,562,938	
2035	891,675	325,000	243,438	568,438	1,460,113	64%
2036	854,500	345,000	228,000	573,000	1,427,500	
2037	85,175	360,000	211,613	571,613	656,788	
2038	87,050	375,000	194,513	569,513	656,563	
2039	88,544	395,000	176,700	571,700	660,244	
2040	84,781	410,000	157,938	567,938	652,719	81%
2041	85,884	430,000	138,463	568,463	654,347	
2042	86,719	450,000	118,038	568,038	654,756	
2043	87,284	475,000	96,663	571,663	658,947	
2044	-	495,000	74,100	569,100	569,100	
2045	-	520,000	50,588	570,588	570,588	97%
2046	-	545,000	25,888	570,888	570,888	100%
	$ 12,312,999	$ 7,000,000	$ 4,127,460	$ 11,127,460	$ 23,440,459	

(1) The City currently and intends to continue paying certain outstanding tax-supported debt from net revenues of the Water and Sewer System (the "System") and other general governmental revenues. If System net revenues are not sufficient to provide for the payment of such obligations, the City will be required to levy and collect ad valorem taxes sufficient to provide for the payment of the principal and interest on such obligations. See "TABLE 10 – COMPUTATION OF SELF-SUPPORTING DEBT." Existing debt service does not include City revenue bond obligations outstanding in the amount of $3.19 million; such revenue bond obligations are secured solely by net revenues of the System and are not secured by ad valorem taxes.

(2) Preliminary, subject to change.

TABLE 9 – INTEREST AND SINKING FUND BUDGET PROJECTION

Budgeted Ad Valorem Tax-Supported Debt Service, Fiscal Year Ending 9/30/2026[1][2]			$	1,005,593
Interest and Sinking Fund Balance, as of 9/30/2025	$	91,370		
Estimated Interest and Sinking Fund Tax Collections[1]		982,848		
Total Sources				1,074,218
Estimated Interest and Sinking Fund Balance, 9/30/2026			$	68,625

(1) Source: Adopted 2025-26 Budget.
(2) The City currently pays certain outstanding tax-supported debt from net revenues of the Water and Sewer System. If Water and Sewer System net revenues are not sufficient to provide for the payment of such obligations, the City will be required to levy and collect ad valorem taxes sufficient to provide for the payment of the principal and interest on such obligations. The City has enacted a System rate increase effective fiscal year 2025. See "WATER AND SEWER SYSTEM" herein.

TABLE 10 – COMPUTATION OF SELF-SUPPORTING DEBT

Water and Sewer System		2025
Operating Revenues	$	4,995,892
Operating Expenses		5,058,768
Operating Income (Loss)		(62,876)
Add back: Depreciation Expense	$	557,853
Plus: Interest income		63,483
System Net Revenues Available for Debt Service	$	558,460
Less - Revenue Bond Debt Service Requirements	$	410,150
Revenue Bond Debt Service Coverage		1.36
Water and Sewer System Net Revenues for Self-Supporting GO Debt Service[1]	$	148,310

Source: City audited financial statements.
(1) The City currently pays certain outstanding tax-supported debt from net revenues of the Water and Sewer System. If Water and Sewer System net revenues are not sufficient to provide for the payment of such obligations, the City will be required to levy and collect ad valorem taxes sufficient to provide for the payment of the principal and interest on such obligations. The City has enacted a System rate increase effective fiscal year 2025. See "WATER AND SEWER SYSTEM" herein.

TABLE 11 – AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

The City has no authorized but unissued general obligation bonds.

ANTICIPATED ISSUANCE OF GENERAL OBLIGATION DEBT . . . The City may issue additional tax-supported obligations within the next 12 months to fund capital improvements.

TABLE 12 – OTHER OBLIGATIONS

Notes Payable…As of September 30, 2025, the City has no outstanding notes payable in its governmental or business-type activities.

Financed Purchases…The City entered into the following agreements that are considered financed purchases for accounting purposes:

Description	Interest Rate	Issue Date	Maturity Date	Original Issue	Balance at 9/30/2025	Carrying Value of Equipment
Governmental Activities						
2023 CAT Wheel Loader	5.65%	4/21/2023	5/21/2028	$185,926	$161,502	$140,994
Parks Equipment	7.00%	1/30/2025	1/30/2027	55,739	35,890	48,307
					$197,392	189,301

The liabilities for Governmental Activities are reported with notes and financed purchases payable due within one year of $30,593 and notes and financed purchases payable due in more than one year of $166,799.

The commitments under financed purchase agreements for equipment provide for minimum future payments as of September 30, 2025 as follows:

Year Ending September 30,	Governmental Activities Principal	Interest
2026	$ 30,593	$9,125
2027	32,557	8,376
2028	14,796	7,585
2029	119,446	555
	$197,392	$25,461

*Leases…*The City adopted the provisions of GASB Statement no. 87, Leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. The beginning balances for leased capital assets and lease liabilities were increased by $578,926 and $131,368 for Governmental Activities and Business-Type activities, respectively, as a result of this implementation. Beginning net asset balances were not required to be restated.

The City, as a lessee, has entered into lease agreements for vehicles.

The total costs of the City's lease assets are recorded in Governmental Activities (Internal Service Fund) as $2,026,631, less accumulated amortization of $1,301,529. There are no lease assets or liabilities remaining in Business-type Activities as of September 30, 2025.

Year Ending September 30,	Governmental Activities Principal	Interest
2026	$296,337	$11,387
2027	191,642	6,699
2028	152,907	3,225
2029	69,318	782
2030	13,104	404
	$723,308	22,497

Pension and Other Post-Employment Benefits

The City participates in a retirement plan through the Texas Municipal Retirement System ("TMRS") covering all eligible employees and additionally participates in an Other Post-Employment Benefits ("OPEB") plan through TMRS's Supplemental Death Benefits Fund ("SDBF").

For purposes of measuring the net pension liability, pension-related deferred outflows and inflows of resources, and pension expense, City-specific information about the Fiduciary Net Position and additions to/deductions from the City's 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.

The City's Net Pension Liability as of the December 31, 2024 measurement date was $926,367. The Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date using a discount rate of 6.75%. For the year ended September 30, 2025, the City recognized pension expense of $457,488 and made contributions to TMRS of $488,182, equal to the required contribution. Employee contribution rates were 7% of annual compensation, and the City's matching ratio was 2 to 1. The City's contribution rates were 10.74% and 11.01% in calendar years 2024 and 2025, respectively.

The City's Total OPEB Liability as of the December 31, 2024 measurement date was $268,788, determined using a discount rate of 4.08% based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024. For the year ended September 30, 2025, the City recognized OPEB income of $3,086. The SDBF provides group-term life insurance coverage to both current and retired employees; no assets are accumulated in a trust to pay related benefits. Information regarding the City's Net Pension Liability and Total OPEB Liability is obtained from TMRS through reports prepared for the City by TMRS's consulting actuary.

For more detailed information concerning the City's pension and other post-employment benefit plans for the Fiscal Year Ending September 30, 2025, see "APPENDIX B – EXCERPTS FROM THE CITY'S ANNUAL FINANCIAL REPORT" – Notes I and J.

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FINANCIAL INFORMATION

TABLE 13 – CHANGES IN NET POSITION

	Fiscal Year Ending September 30,				
	2025	2024	2023	2022	2021
Revenues:					
Progam Revenues					
Charges for Services	$ 3,214,949	$ 2,977,932	$ 2,946,109	$ 2,696,255	$ 2,457,116
Operating Grants and Contributions	616,018	1,057,341	894,720	380,919	214,558
Capital Grants and Contributions	-	-	50,589	16,500	544,142
General Revenues					
Property Taxes	4,740,637	4,464,013	4,201,874	3,931,933	3,794,492
Franchise Taxes	1,076,845	1,018,331	1,027,083	1,013,806	1,000,943
Sales Taxes	1,819,797	1,649,021	1,533,183	1,479,405	1,408,520
Other Taxes	147,271	20,849	62,428	40,861	40,196
Unrestricted Investment Earnings	180,717	278,346	125,159	72,847	49,754
Miscellaneous	195,147	227,264	151,316	435,023	267,096
Total Revenues	$ 11,991,381	$ 11,693,097	$ 10,992,461	$ 10,067,549	$ 9,776,817
Expenses:					
General	$ 744,679	$ 622,204	$ 616,962	$ 829,077	$ 643,040
Administration	604,761	315,924	184,307	165,420	194,707
Tax Assessing/Collecting	66,126	61,923	53,347	50,079	48,911
City Hall	404,678	352,909	203,122	178,741	161,608
Police Department	2,854,412	2,654,755	2,223,339	1,949,992	2,026,077
Municipal Court	74,086	36,498	99,487	83,396	85,736
Fire Department	1,405,953	1,356,169	1,284,380	1,075,206	709,167
Library	269,613	197,007	242,269	196,469	174,566
Streets and Public Works	1,888,239	1,519,212	1,441,356	1,314,803	1,452,279
Parks and Recreation	983,074	823,508	606,050	516,651	500,536
Aquatic Center	635,882	651,723	575,801	511,618	370,220
Community Center	34,038	29,403	31,014	23,896	25,532
Garbage Collection	1,945,500	1,966,267	1,815,610	1,672,507	1,549,961
E.M.T.	-	-	-	-	464,403
Community Planning	407,985	287,171	323,479	236,792	192,526
Drainage Improvement	72,235	209,491	56,921	24,312	51,743
Bond Issuance Cost	-	-	155,310	-	-
Grant Outlay	72,460	-	8,024	13,718	3,000
Interest Expense	304,214	291,725	315,870	326,001	354,342
Total Expenses	$ 12,767,935	$ 11,375,889	$ 10,236,648	$ 9,168,678	$ 9,008,354
Change in Net Position	$ (776,554)	$ 317,208	$ 755,813	$ 898,871	$ 768,463
Prior Period Adjustments	-	-	-	-	-
Special Items and Transfers	32,698	(35,300)	10,749	(59,758)	(21,072)
Net Position - October 1	$ 11,686,637	$ 11,404,729	$ 10,638,167	$ 9,799,054	$ 9,051,663
Net Position - September 30	$ 10,942,781	$ 11,686,637	$ 11,404,729	$ 10,638,167	$ 9,799,054

Source: The City's audited financial statements.

TABLE 13A – GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ending September 30,				
	2025	2024	2023	2022	2021
Revenues:					
Property Taxes	$ 3,433,650	$ 3,293,572	$ 3,097,799	$ 2,850,243	$ 2,658,185
Non-property Taxes	2,902,121	2,672,595	2,563,269	2,496,068	2,411,678
Fines & Forefeitures	49,803	52,960	59,273	42,477	51,306
Licenses & Permits	52,437	64,483	56,684	50,381	57,205
Fees & Services	2,840,149	2,568,891	2,517,894	2,306,831	2,051,390
Miscellaneous	183,425	178,330	131,806	195,104	114,803
Intergovernmental Revenue	35,527	35,527	35,527	35,527	579,669
Total Revenue	$ 9,497,112	$ 8,866,358	$ 8,462,252	$ 7,976,631	$ 7,924,236
Expenditures:					
Current Operating					
General Government	$ 358,707	$ 448,392	$ 277,164	$ 612,855	$ 485,819
Administration	532,446	302,049	173,049	199,239	176,526
Tax Assessing/Collecting	66,126	61,923	53,347	50,079	48,911
City Hall	381,935	337,981	189,924	171,899	166,917
Police Department	2,406,349	2,325,965	1,998,166	1,891,220	1,906,155
Municipal Court	73,979	36,498	98,704	88,832	90,170
Fire Department	1,251,254	1,220,438	1,163,347	1,056,408	635,931
Library	225,015	191,719	166,123	186,785	156,807
Streets and Public Works	1,178,016	771,441	757,283	639,105	745,903
Parks and Recreation	694,605	602,480	527,438	475,418	450,379
Aquatic Center	452,405	481,382	418,427	361,207	220,577
Community Center	32,910	24,411	26,593	19,475	19,111
Garbage Collection	1,943,720	1,964,488	1,813,831	1,670,727	1,548,182
E.M.T.	-	-	-	-	475,199
Community Planning	381,623	286,082	308,054	253,742	205,243
Debt Service:					
Principal Payments on Debt	-	301,489	246,994	-	-
Interest and Other Charges	-	78,612	15,226	-	-
Capital Outlay	$ 10,348	$ 767,886	$ 590,675	$ 570,068	$ 584,887
Total Expenditures	$ 9,989,438	$ 10,203,236	$ 8,824,345	$ 8,247,059	$ 7,916,717
Excess (Deficiency) of Revenues Over Expenditures	$ (492,326)	$ (1,336,878)	$ (362,093)	$ (270,428)	$ 7,519
Other Financing Sources					
Interest Income	70,382	108,973	67,413	37,261	32,931
Proceeds from Equipment Leases	-	313,903	290,426	338,388	-
Sale of Capital Assets	24,263	28,540	36,425	243,925	231,893
Net Transfers from Other Funds	85,331	490,749	196,841	(102,167)	(5,973)
Total Other Financing Sources (Uses)	$ 179,976	$ 942,165	$ 591,105	$ 517,407	$ 258,851
Change in fund balances	$ (312,350)	$ (394,713)	$ 229,012	$ 246,979	$ 266,370
Change in Fund Balances -	$ (312,350)	$ (394,713)	$ 229,012	$ 246,979	$ 266,370
Fund balance - beginning	2,377,683	2,772,396	2,543,384	2,296,405	2,030,035
Fund balance - ending	$ 2,065,333	$ 2,377,683	$ 2,772,396	$ 2,543,384	$ 2,296,405

Source: The City’s audited financial statements.

TABLE 14 – MUNICIPAL SALES TAX HISTORY

The City imposes and levies a one percent (1%) Local Sales and Use Tax within the City pursuant to the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. 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. On January 18, 1997, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½% of 1%) for economic development and an additional one-half of one percent (½ of 1%) for property tax reduction. Collection for the additional tax went into effect on October 1, 1997. The sales tax for economic development is collected solely for the benefit of Burkburnett Economic Development Corporation (the "Corporation"), and may be pledged to secure payment of sales tax revenue bonds issued by the Corporation.

Fiscal Year Ended 9/30	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2022	1,972,540	51.00%	0.359800	173
2023	2,044,244	49.72%	0.331400	179
2024	2,198,698	50.42%	0.321742	192
2025	2,426,247	52.27%	0.334753	212
2026	1,758,008 (1)	33.72%	-	-

(1) Collections as of June 30, 2026.
Source: The City.

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WATER AND SEWER SYSTEM

THE FOLLOWING INFORMATION IS PROVIDED BECAUSE THE CITY HAS, IN CERTAIN YEARS, PAID A PORTION OF THE DEBT SERVICE ON ITS OUTSTANDING GENERAL OBLIGATION TAX DEBT WITH NET REVENUES OF THE SYSTEM, AND BECAUSE THE CERTIFICATES ARE SECURED, IN PART, BY A LIMITED PLEDGE, NOT TO EXCEED $1,000, OF SUCH NET REVENUES. *SEE* "THE CERTIFICATES – SECURITY AND SOURCE OF PAYMENT." ALTHOUGH THE CITY CURRENTLY INTENDS TO CONTINUE USING NET REVENUES OF THE SYSTEM TO PAY A PORTION OF ITS GENERAL OBLIGATION TAX DEBT, TO THE EXTENT SUCH REVENUES ARE AVAILABLE, THERE IS NO GUARANTEE THAT NET REVENUES WILL BE AVAILABLE FOR SUCH PURPOSE, AND THE CERTIFICATES ARE ONLY SECURED, IN PART, BY THE LIMITED $1,000 PLEDGE OF NET REVENUES OF THE SYSTEM.

The City owns and operates a combined waterworks and wastewater system that provides water supply, distribution, and wastewater treatment services to the residents and businesses of the City. The System is operated as an enterprise fund of the City. The City's primary water supply is derived from groundwater wells tapping the Seymour Aquifer, with a supplemental surface water supply purchased from the City of Wichita Falls.

The System currently produces an average of approximately 1.6 million gallons per day ("MGD") of finished water against a treatment capacity of 2.1 MGD. The wastewater system processes an average daily flow of approximately 0.45 MGD against a permitted capacity of 2.8 MGD. Non-revenue water loss is currently estimated at approximately 12 to 15 percent, consistent with peer utilities of similar size and infrastructure profile. The customer base has remained stable in recent years, and the City continues to assess the adequacy of existing treatment capacities to accommodate anticipated residential growth in the service area. The System provides consolidated utility billing, with water, sewer, garbage, and storm water runoff fees included on a single monthly bill.

The City has contracted water treatment, collection, and distribution operations to Veolia North America ("Veolia"), which has served as the City's wastewater system provider since 1992. The City expanded that relationship in fiscal year 2025 to include water treatment and distribution operations, with Veolia managing day-to-day System operations under the arrangement. System assets are tracked through a GIS-based framework incorporating as-built drawings, maintenance records, and operational data, with preventive maintenance activities documented through a centralized work order system. The City is not subject to any consent decrees or enforcement actions related to wastewater operations, and any isolated sanitary sewer overflows have been managed in compliance with Texas Commission on Environmental Quality requirements. The System experienced a nitrate maximum contaminant level (MCL) violation in February 2025. Subsequent sampling indicated nitrate concentrations below the applicable MCL, and the City implemented operational modifications intended to address nitrate levels within the System. Prior to that, the System had not experienced a nitrate violation in approximately 900 days. For long-term financial and capital planning, the City utilizes the Waterworth platform, which supports multi-year cash flow forecasting, debt service coverage analysis, reserve modeling, and utility rate analysis.

Water and sewer rates, which are established by ordinance of the Board, were increased in fiscal year 2025. Current water rates, effective September 1, 2025, establish a residential minimum charge of $34.69 for the first 2,000 gallons, with volumetric rates ranging from $8.46 to $11.75 per 1,000 gallons depending on consumption level. Current sewer rates, effective October 1, 2024, are structured as a base rate of $16.21 plus $2.74 per 1,000 gallons for residential customers, calculated based on average winter water consumption. The rate increase reflects adjustments made by the City in response to rising operational costs and capital investment requirements.

The City has adopted a formal reserve target for the Water and Sewer Fund of approximately 90 to 180 days of operating expenditures. The Water and Sewer Fund carries an outstanding interfund obligation to the General Fund, against which the City has budgeted annual repayments of $100,000 until the balance is retired.

The City maintains a rolling five-year Capital Improvement Plan, reviewed and updated annually as part of the budget process, with projects prioritized based on regulatory and public health considerations, system reliability, infrastructure age and condition, and financial capacity. Approximately 25–35% of planned capital expenditures are related to regulatory compliance, including wastewater collection system rehabilitation, lift station upgrades, and water distribution integrity improvements. Near-term investment is focused on rehabilitation and replacement of aging water and wastewater mains, metering system upgrades, and infrastructure renewal coordinated with street reconstruction. Longer-term projects include the installation of three permanent waste lines, expected to increase system capacity and support more efficient nitrate treatment operations, and replacement of the City's existing emergency water storage tank with a 1.8 million gallon facility to improve drought resiliency.

The City intends to finance future capital needs through a combination of certificates of obligation, state and federal grants, and pay-as-you-go funding. S&P Global Ratings rates the City's revenue obligations “BB+” (stable outlook); such rating was downgraded from “BBB+” in March 2026.

See "APPENDIX B – EXCERPTS FROM THE CITY'S ANNUAL FINANCIAL REPORT" for certain financial information regarding the System for the Fiscal Year ending September 30, 2025.

FINANCIAL POLICIES

Basis of Accounting . . . For the fiscal year ended September 30, 2004, the City implemented GASB 34. The purpose of GASB 34 is to create new information and restructure much of the information that governments have presented in the past to provide a more comprehensive demonstration of their annual financial performance on a system-wide basis. Among the significant changes effected by the new accounting standard are new presentations for proprietary or business-type operations of the City, such as those reported for the City's water and waste water operations (the "Proprietary Funds"). As required by the newly adopted accounting principles, the City's annual report consists of three basic financial statements for the Proprietary Funds: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. Those statements are included in the financial statements of the City for the year ended September 30, 2025 in Appendix B. In addition, a discussion of GASB 34 is set forth in the Management Discussion and Analysis and in various notes to the City's financial statements in Appendix B.

Use of Bond Proceeds . . . The City's policy is to use bond proceeds for capital expenditures only. The use of funds may include professional services, such as engineering, which may be performed by a third-party consultant or City staff.

Budgetary Procedures . . . The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year by the middle of May. The City Manager subsequently submits a budget of estimated expenditures and revenues to the Board by August 15. The Board shall hold a public hearing on the budget after giving at least 10 days notice of the hearing in the official newspaper of the City. The Council shall then make any changes in the budget as it deems advisable and shall adopt a budget prior to October 1. If the Council fails to adopt a budget, the budget proposed by the City Manager shall deem to have been adopted.

During the fiscal year, strict budgetary control is maintained by various methods, including the review of departmental appropriation balances with purchase requisitions prior to their release to vendors.

Departmental appropriations that have not been expended or encumbered lapse at the end of the fiscal year. Therefore, funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the ensuing fiscal year's budget.

Fund Investments . . . The City's investment policy parallels, and in some cases is more restrictive than, the state laws which govern the investment of public funds. The City generally restricts investments to direct obligations of the United States Government and its agencies and to insured or collateralized bank certificates of deposit and public funds investment pools.

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the Board of the City. Both state law and the City’s investment policies are subject to change.

Legal Investments

Under State law and subject to certain limitations, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations issued and secured by a federal agency or instrumentality of the United States; (4) other obligations unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities; (5) “A” or better rated obligations of states, agencies, counties, cities, and other political subdivisions of any state; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) federally insured interest-bearing bank deposits, brokered pools of such deposits, and collateralized certificates of deposit and share certificates; (8) fully collateralized 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; and (15) in the case of bond proceeds, guaranteed investment contracts that are secured by obligations described in clauses (1) through (7) above and, except for debt service funds and reserves, have a term of 5 years or less.

The City may not, however, invest in (1) interest only obligations, or non-interest bearing principal obligations, stripped from mortgage-backed securities; (2) collateralized mortgage obligations that have a remaining term that exceeds 10 years; and (3) collateralized mortgage obligations that bear interest at an index rate that adjusts opposite to the changes in a market index. In addition, the City may not invest more than 15 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 15 – CURRENT INVESTMENTS

As of June 1, 2026, the City’s investable funds were invested in the following categories:

Description	Percent	Balance
Certificates of Deposit	21.6%	$929,666
Money Market	78.4%	$3,373,389
	100.0%	$4,303,055

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TAX MATTERS

Tax Exemption

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

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

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

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

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

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

Qualified Tax-Exempt Obligations for Financial Institutions

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

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

Tax Accounting Treatment of Discount and Premium on Certain Certificates

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

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

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

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

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The City will provide certain updated financial information and operating data to the MSRB on an annual basis in an electronic format that is prescribed by the MSRB and available via EMMA. 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 6 and 8 through 15 and in APPENDIX B. The City will update and provide the information in Tables 1 through 6 and 8 through 15 within six months after the end of each fiscal year ending in and after 2026 and will update and provide audited financial statements 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 financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet website identified above or filed with the United States Securities and Exchange Commission (the "SEC'), as permitted by SEC Rule 15c2-12 (the "Rule").

The City's current fiscal year end is September 30. Accordingly, the City must provide updated information included in Tables 1 through 6 and 8 through 15 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) by September 30 of each 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.

Notice of Certain Events

The City shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Certificates: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of 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 trustee or change in the name of the trustee, if material; (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

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

For these purposes, (a) any event described in the immediately preceding clause (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the City, and (b) the City intends to words used in the immediately preceding clauses (15) and (16) and the definition of Financial Obligation in such clauses to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018. The Certificate Ordinance defines "Financial Obligation" as 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) guarantee of a debt obligation or any such derivate instrument; provided that “Financial Obligation” shall not include municipal securities (as defined in the Securities and Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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 the Certificates at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of the Certificates may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates, as applicable, in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Certificates consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance With Prior Undertakings

Except as otherwise described below, during the past five years, the Issuer has complied in all material respects with its continuing disclosure agreements in accordance with the Rule. On March 9, 2026, the City’s waterworks and wastewater system revenue bond rating was downgraded by S&P Global Ratings from “BBB+” to “BB+.” Due to an administrative oversight, the City failed to timely file the material event for the rating change. The notice of the downgrade, including a notice to failure to timely file, was filed on EMMA on May 20, 2026. The City has taken steps to ensure that all future filings are complete and in compliance with its prior continuing disclosure undertakings.

OTHER INFORMATION

Ratings

The Certificates and certain of the presently outstanding tax supported debt of the City are rated “A” (stable outlook) by S&P. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations 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 either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the certificates.

Litigation

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

Registration and Qualification of Certificates for Sale

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

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code), as amended provides that the Certificates are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with at least $1 million of capital, and savings and loan associations. For political subdivisions in Texas that have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas, Government Code, Chapter 2256, as amended) the Certificates may have to be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency before the Certificates are eligible investments for sinking funds and other public funds. The City has made no investigation of other laws, rules, regulations, or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Certificates for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Certificates for such purposes. The City has made no review of laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

Legal Matters

The City will furnish to the Initial Purchaser a complete transcript of proceedings had incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Certificate and to the effect that the Certificates are valid and legally binding obligations of the City, and based upon examination of such transcripts of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Certificates 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. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Certificates will also be furnished. Though it may represent the Municipal Advisor and the Initial Purchaser from time to time in matters unrelated to the issuance of the Certificates, Bond Counsel has been engaged by and only represents the City in connection with the issuance of the Certificates. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form, or the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Certificates in the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement to verify that such information conforms to the provisions of the Certificate Ordinance. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Certificates is contingent on the sale and delivery of the Certificates. The legal opinion will accompany the Certificates deposited with DTC or will be printed on the Certificates in the event of the discontinuance of the Book-Entry-Only System.

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

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from City records, audited financial statements, and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Municipal Advisor

PFM Financial Advisors LLC (the “Municipal Advisor”) is employed as Municipal Advisor to the City in connection with the issuance of the Certificates. The Municipal Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. PFM Financial Advisors LLC, 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 Certificates, 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.

Initial Purchaser of the Certificates

After requesting competitive bids for the Certificates, the City accepted the bid of ________________________(the "Initial Purchaser") to purchase the Certificates at the interest rates shown on page ii of the Official Statement at a price of par plus a cash premium (if any) of $_______________. The Initial Purchaser can give no assurance that any trading market will be developed for the Certificates after their sale by the City to the Initial Purchaser. The City has no control over the price at which the Certificates are subsequently sold and the initial yield at which the Certificates will be priced and reoffered will be established by and will be the sole responsibility of the Initial Purchaser.

Certification of the Official Statement

At the time of payment for and delivery of the Certificates, the City will furnish the Initial Purchaser a certificate, executed by an authorized representative of the City, acting in such person’s representative capacity, to the effect that to the best of such person’s knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement, and any addenda, supplement or amendment thereto, on the date of the Official Statement, on the date of sale of the Certificates and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

Forward-Looking Statements of 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 Certificate Ordinance will approve the form and content of this Official Statement, and any addenda supplement or amendment thereto, and authorize its further use in the reoffering of the Certificates by the Initial Purchaser.

ATTEST:	CITY OF BURKBURNETT, TEXAS
______________________________	______________________________
NIKKI TEPFER City Clerk	LORI KEMP Mayor

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

Location and History... The City is located in Wichita County, Texas, approximately 13 miles north of Wichita Falls, 125 miles northwest of the Dallas-Fort Worth metroplex, and 130 miles southwest of Oklahoma City, Oklahoma. The City encompasses approximately 11.5 square miles and had a population of 10,939 at the 2020 Census, with current estimates of approximately 11,000 residents. Burkburnett is part of the Wichita Falls Metropolitan Statistical Area, and its proximity to Wichita Falls provides residents access to a broader range of employment, healthcare, retail, and educational resources.

The area was first settled in the 1850s and formally platted in 1906 following the sale of ranch holdings by cattleman Samuel Burk Burnett, for whom the city was named at the suggestion of President Theodore Roosevelt. The City was incorporated in 1907 under the general laws of the State of Texas. Burkburnett gained international attention following a major oil discovery in 1912, which transformed the community into one of the most active oil boomtowns in the nation during the 1910s and 1920s. The City adopted its home-rule charter in 1923. The City is governed by a Board of Commissioners consisting of a Mayor and six Commissioners, all elected at large to three-year staggered terms, with annual elections held in May. The Board appoints a City Manager to serve as the chief administrative and executive officer responsible for the daily conduct of City affairs and the appointment of City department heads.

Economy... The City's economy is supported by a mix of manufacturing, agribusiness, mineral production, and government employment. Agricultural activity in the surrounding region includes cattle production, wheat, cotton, and grain crops. The manufacturing sector includes production of fiberglass pipe, oilfield equipment, and related industrial products. The City's economy benefits significantly from its proximity to Sheppard Air Force Base, located in Wichita Falls approximately six miles from the City's corporate boundary. Sheppard Air Force Base is the largest and most diverse training base in Air Education and Training Command, training approximately 60,000 students annually, and has been an anchor of the regional economy since its activation in 1941. Major employment hubs for City residents include local schools, Sheppard Air Force Base, and businesses in Wichita Falls, to which many residents commute.

Education... Public elementary and secondary education is provided by the Burkburnett Independent School District, which operates four campuses serving over 3,000 students from pre-kindergarten through twelfth grade, including a significant number of students from families associated with Sheppard Air Force Base. Higher education in the region is anchored by Midwestern State University (MSU Texas), a public liberal arts university located in Wichita Falls with a total enrollment of approximately 5,287 students as of fall 2025, which set a record for new first-time enrollment for the second consecutive year. Additional higher education options in the region include Vernon College and Wayland Baptist University, with additional universities within a 130-mile radius including Texas Christian University in Fort Worth, Southern Methodist University in Dallas, and the University of Oklahoma in Norman.

Transportation... The City is served by Interstate Highway 44, U.S. Highways 281 and 271, and State Highway 240, providing direct ground transportation connectivity to Wichita Falls and regional markets. Air service is available through Wichita Falls Regional Airport, which provides commercial airline service to the region. The City's central location within the broader North Texas region supports its role as a bedroom community to Wichita Falls while maintaining its own distinct commercial and industrial base.

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APPENDIX B

EXCERPTS FROM THE
CITY OF BURKBURNETT, TEXAS
ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2025

The information contained in this Appendix consists of excerpts from the City of Burkburnett, Texas Annual Financial Report for the Fiscal 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

FORM OF BOND COUNSEL OPINION