OFFICIAL STATEMENT
Dated: June 26, 2023

S&P BAM Insured Rating "AA"
S&P Underlying "A-"
(See "RATINGS" herein)

NEW ISSUE: Book-Entry-Only

In the opinion of Jackson Walker LLP ("Bond Counsel"), under existing law, interest on the Certificates (defined herein) (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, which includes information regarding potential alternative minimum tax consequences for corporations.

THE CERTIFICATES HAVE NOT BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$13,900,000
CITY OF POST, TEXAS
(Garza County)
Certificates of Obligation, Series 2023

Dated Date: July 1, 2023 **Due: February 15, as shown on inside cover**
Interest Accrues from the Delivery Date

Payment Terms… Interest on the $13,900,000 City of Post, Texas, Certificates of Obligation, Series 2023 (the "Certificates"), will accrue from the Delivery Date (defined below) and will be payable February 15 and August 15 of each year, commencing on February 15, 2024. The Certificates will be issued only in fully registered form in principal denominations of $5,000 or any integral multiple thereof. Principal of the Certificates will be payable to the registered owner (the "Owner") at maturity or prior redemption upon presentation at the principal corporate office of the paying agent/registrar (the "Paying Agent/Registrar"), initially BOKF, NA, Dallas, Texas. The Certificates will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will be responsible for distributing the principal and interest payments to the participating members of DTC and the participating members will be responsible for distributing the payment to the owners of beneficial interests in the Certificates. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Authority for Issuance…The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State"), particularly Subchapter C of Chapter 271, Texas Government Code (the "Certificate of Obligation Act of 1971"), as amended, and an ordinance adopted by the City Council of the City of Post (the "City") on June 26, 2023, authorizing the issuance of the Certificates (the "Ordinance"). The Certificates constitute direct obligations of 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 subordinate pledge of the Net Revenues (as defined in the Ordinance) of the City's waterworks and sewer system (the "System") in an amount not to exceed $1,000. See the "THE CERTIFICATES - Authority for Issuance of the Certificates" and "-Security for the Certificates" herein.

Purpose… Proceeds from the sale of the Certificates will be used: (i) for construction of a new wastewater treatment plant; and (ii) professional services pursuant to Subchapter C of Chapter 271, Texas Local Government Code, as amended. See "THE CERTIFICATES – Sources and Uses of Funds" herein.

Redemption… The Certificates maturing on and after February 15, 2034, are subject to optional redemption in whole or in part on February 15, 2033, or on any date thereafter at a redemption price equal to the principal amount thereof plus accrued interest as more fully described herein. Certain of the Certificates may be subject to mandatory sinking fund redemption in the event the Underwriters elect to aggregate two or more maturities as term Certificates. See "THE CERTIFICATES – Optional Redemption" and " – Mandatory Redemption" herein.

Insurance… The scheduled payment of principal of and interest on the Certificates when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Certificates by Build America Mutual Assurance Company ("BAM"). BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P").

See Principal Amounts, Maturities, Interest Rates, and Prices on the Inside Cover Page

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Legality… The Certificates are offered when, as and if issued and received by the underwriters listed below (the "Underwriters"), subject to the approval of legality by the Attorney General of the State of Texas and Jackson Walker, LLP, Bond Counsel, Houston, Texas. Certain legal matters will be passed upon for the Underwriters by their counsel, Greenberg Traurig, LLP, Houston, Texas.

Delivery… The Certificates are expected to be available for delivery through DTC on or about July 18, 2023.

Raymond James **Frost Bank**

PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, AND PRICES

$13,900,000

Certificates of Obligation, Series 2023

$2,635,000 Serial Certificates

Maturity (2/15)[a]	Principal Amount	Interest Rate	Initial Yield/Price[b]	CUSIP[c]
2024	$165,000	5.000%	3.380%	737492CS5
2025	225,000	5.000	3.350	737492CT3
2026	235,000	5.000	3.230	737492CU0
2027	245,000	5.000	3.130	737492CV8
2028	260,000	5.000	3.130	737492CW6
2029	270,000	5.000	3.130	737492CX4
2030	285,000	5.000	3.080	737492CY2
2031	300,000	5.000	3.080	737492CZ9
2032	315,000	5.000	3.110	737492DA3
2033	335,000	5.000	3.170	737492DB1

$11,265,000 Term Certificates

$720,000, 5.000% Term Certificates due February 15, 2035, Yield 3.310%, CUSIP 737492DC9[a][b][c][d]

$790,000, 5.000% Term Certificates due February 15, 2037, Yield 3.640%, CUSIP 737492DD7[a][b][c][d]

$875,000, 5.000% Term Certificates due February 15, 2039, Yield 3.800%, CUSIP 737492DE5[a][b][c][d]

$965,000, 5.000% Term Certificates due February 15, 2041, Yield 3.910%, CUSIP 737492DF2[a][b][c][d]

$1,060,000, 4.000% Term Certificates due February 15, 2043, Yield 4.160%, CUSIP 737492DG0[a][b][c]

$3,065,000, 4.250% Term Certificates due February 15, 2048, Yield 4.340%, CUSIP 737492DH8[a][b][c]

$3,790,000, 4.250% Term Certificates due February 15, 2053, Yield 4.390%, CUSIP 737492DJ4[a][b][c]

(a) The Certificates maturing on and after February 15, 2034, are subject to optional redemption, in whole or in part, on February 15, 2033, or any date thereafter, at a price equal to the par value thereof, plus accrued interest from the most recent interest payment date to the date of redemption. The Certificates maturing on February 15 in each of the years 2035, 2037, 2039, 2041, 2043, 2048 and 2053 (the "Term Certificates") are also subject to mandatory redemption in part prior to maturity at a price of par plus accrued interest to the redemption date. See "THE CERTIFICATES – Optional Redemption" and "– Mandatory Redemption" herein.

(b) The initial yields and prices are established by and are the sole responsibility of the Underwriters and may subsequently be changed.

(c) CUSIP numbers have been assigned to this issue by the CUSIP Global Services managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the purchasers of the Certificates. Neither the City, the Financial Advisor, nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

(d) Priced to earliest redemption date of February 15, 2033.

CITY OF POST - SERIES 2023 CERTIFICATES OF OBLIGATION

CITY COUNCIL

Marvin Self	Mayor
Pixie Grisham	Mayor Pro Tem
Evonne Sapp	Ward 1 Council Member
Pixie Grisham	Ward 2 Council Member
Jeff Hood	Ward 3 Council Member
Diane James	Ward 4 Council Member
Jimmy Valdez	Ward 5 Council Member

ADMINISTRATIVE OFFICERS

Marvin Self	Mayor
Rhett Parker	City Manager
Brian Guymon	City Attorney

CONSULTANTS, ADVISORS AND INDEPENDENT AUDITORS

Jackson Walker LLP, Houston, Texas	Bond Counsel
Bolinger, Segars, Gilbert & Moss, L.L.P., Lubbock, Texas	Independent Auditor
Government Capital Securities Corporation, Southlake, Texas	Financial Advisor

For additional information regarding the City, please contact:

Rhett Parker
City Manager
City of Post, Texas
105 East Main Street
Post, Texas 79356
(806) 495-2811
rparker@postgarza.net

Jake Lawrence
Government Capital Securities Corporation
559 Silicon Drive, Suite 102
Southlake, TX 76092
(817) 722-0239
jlawrence@govcapsecurities.com

USE OF INFORMATION IN OFFICIAL STATEMENT

This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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

THE CERTIFICATES ARE EXEMPTED 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 SECURITIES HAVE BEEN REGISTERED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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

The agreements of the City and others related to the Certificates are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Certificates is to be construed as constituting an agreement with the purchasers of the Certificates. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

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

None of the City, the Financial Advisor or the Underwriters make any representation as to the accuracy, completeness or adequacy of the information contained in this Official Statement regarding The Depository Trust Company or its Book-Entry-Only System.

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

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

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BOND INSURANCE

BOND INSURANCE

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

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

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $476.6 million, $196.7 million and $279.9 million, respectively.

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

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

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

Additional Information Available from BAM

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

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

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

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

BOND INSURANCE RISKS

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 owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by BAM at such time and in such amounts as would have been due absent such prepayment by the City (unless BAM chooses to pay such amounts at an earlier date).

Payment of principal of and interest on the Certificates will not be subject to acceleration, but other legal remedies upon the occurrence of non-payment do exists (see "OWNERS' REMEDIES"). BAM 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 Certificate holders.

In the event BAM is unable to make payment of principal and interest as such payments become due under the Policy, the Certificates are payable solely from (i) ad valorem taxes levied, within the limits prescribed by law, on all taxable property within the City and (ii) a limited subordinate pledge of the Net Revenues, as further described in "THE CERTIFICATES – Security for the Certificates." In the event BAM 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.

The long-term ratings on the Certificates will be dependent in part on the financial strength of BAM and its claims-paying ability. BAM'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 BAM and the ratings on the

Certificates, whether or not subject to the Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Certificates.

The obligations of BAM under the Policy are general obligations of BAM and in an event of default by BAM, the remedies available may be limited by applicable bankruptcy law. None of the City, the Financial Advisor or the Underwriters have made independent investigation into the claims-paying ability of any potential bond insurer and no assurance or representation regarding the financial strength or projected financial strength of any potential bond insurer is given.

Claims-Paying Ability and Financial Strength of Municipal Bond Insurers

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

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to the more complete information contained in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement, including the appendices hereto. No person is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without this entire Official Statement including the Appendices hereto.

The City — The City of Post, Texas (the "City"), is located in Garza County, Texas. For information regarding the City, see Appendices A and B.

The Certificates — The Certificates are issued as $13,900,000 Certificates of Obligation, Series 2023, dated July 1, 2023, maturing on the dates and in the amounts set forth on the inside front cover of this Official Statement.

Payment of Interest — Interest on the Certificates will accrue from the Date of Delivery and will be paid semiannually on February 15 and August 15 of each year, commencing on February 15, 2024, until maturity or prior redemption.

Purpose of Certificates — Proceeds from the sale of the Certificates will be used will be used: (i) for construction of a new wastewater treatment plant; and (ii) professional services pursuant to Subchapter C of Chapter 271, Texas Local Government Code, as amended. See "THE CERTIFICATES – Sources and Uses of Funds" herein.

Authority for Issuance — The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State"), particularly Subchapter C of Chapter 271, Texas Government Code (the Certificate of Obligation Act of 1971), as amended, and an ordinance adopted by the City Council of the City of Post (the "City") authorizing the issuance of the Certificates (the "Ordinance"). See the "THE CERTIFICATES - Authority for Issuance of the Certificates" herein.

Security for the Certificates — The Certificates constitute direct obligations of 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 subordinate pledge of the Net Revenues (as defined in the Ordinance) of the City's waterworks and sewer system (the "System") in an amount not to exceed $1,000. See "THE CERTIFICATES – Security for the Certificates" herein.

Optional Redemption — The Certificates maturing on and after February 15, 2034, are subject to optional redemption in whole or in part on February 15, 2033, or on any date thereafter at a price of par plus accrued interest as more fully described herein. See "THE CERTIFICATES – Optional Redemption" herein.

Mandatory Redemption — The Certificates maturing on February 15 in each of the years 2035, 2037, 2039, 2041, 2043, 2048 and 2053 (the "Term Certificates") are also subject to mandatory redemption in part prior to maturity at a price of par plus accrued interest to the redemption date. See "THE CERTIFICATES – Mandatory Redemption" herein.

Tax Exemption — In the opinion of Bond Counsel, under existing law, interest on the Certificates: (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, which includes information regarding potential alternative minimum tax consequences for corporations.

Rating — S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P"), has assigned a rating of "AA" to the Certificates based upon the municipal bond insurance policy to be issued by Build America Mutual Assurance Company ("BAM") upon delivery of the Certificates. The Certificates have also been assigned an underlying rating of "A-" by S&P. An explanation of the significance of such rating may be obtained from S&P. See "RATINGS" herein.

Municipal Bond Insurance	The scheduled payment of principal and interest on the Certificates when due will be guaranteed under a separate municipal bond insurance policy to be issued concurrently with the delivery of the Certificates by BAM. See "BOND INSURANCE" herein.
Book-Entry Only System	The Certificates are initially issuable only to Cede & Co., the nominee of The Depository Trust Company, New York, New York, pursuant to the book-entry only system described herein. Beneficial ownership of the Certificates may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Certificates will be made to the purchasers thereof. Principal of, premium if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the DTC Participants (as defined herein) for subsequent remittance to the owners of the beneficial interests in the Certificates. See "BOOK-ENTRY-ONLY SYSTEM" herein.
Payment Record	The City has never defaulted on the payment of its bonded indebtedness.

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OFFICIAL STATEMENT
RELATING TO

$13,900,000
CITY OF POST, TEXAS
(Garza County)
Certificates of Obligation, Series 2023

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page and the appendices hereto, provides certain information regarding the issuance by the City of Post, Texas (the "City") of $13,900,000 Certificates of Obligation, Series 2023 (the "Certificates").

The Certificates will be authorized to be issued, sold and delivered by an ordinance (the "Ordinance") enacted by the City's governing body (the "City Council") on June 26, 2023. Capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Ordinance, except as otherwise indicated herein.

The City is a political subdivision of the State of Texas (the "State") and a Type A general law municipal corporation organized and existing under the laws of the State. For information regarding the City, see Appendices A and B of this Official Statement.

All financial and other information presented in this Official Statement has been provided by the City, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue to be repeated in the future.

THE CERTIFICATES

Purpose

Proceeds from the sale of the Certificates will be used: (i) for construction of a new wastewater treatment plant; and (ii) professional services pursuant to Subchapter C of Chapter 271, Texas Local Government Code, as amended.

Authority for Issuance of the Certificates

The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State"), particularly Subchapter C of Chapter 271, Texas Government Code (the Certificate of Obligation Act of 1971), as amended, and the Ordinance adopted by the City Council of the City authorizing the issuance of the Certificates.

Security for the Certificates

The Certificates constitute direct obligations of 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 subordinate pledge of the Net Revenues (as defined in the Ordinance) of the City's waterworks and sewer system (the "System") in an amount not to exceed $1,000.

Optional Redemption

The City reserves the right, at its option, to redeem the Certificates having stated maturities on and after February 15, 2034, in whole or in part, in integral multiples of $5,000, on February 15, 2033 or any date thereafter, such redemption date or dates to be fixed by the City, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. If less than all of the Certificates are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to select by lot the Certificates, or portions thereof, within each maturity to be redeemed.

Mandatory Redemption

The Certificates maturing on February 15 in each of the years 2035, 2037, 2039, 2041, 2043, 2048 and 2053 (the "Term Certificates") are subject to mandatory sinking fund redemption on the dates and in the principal amounts shown below at the price of par plus accrued interest to the date of redemption:

$720,000 TERM CERTIFICATES MATURING February 15, 2035

Principal Amount ($)	Redemption Date (February 15)
350,000	2034
370,000	2035(1)

(1) Final Maturity.

$790,000 TERM CERTIFICATES MATURING February 15, 2037

Principal Amount ($)	Redemption Date (February 15)
385,000	2036
405,000	2037(1)

(1) Final Maturity.

$875,000 TERM CERTIFICATES MATURING February 15, 2039

Principal Amount ($)	Redemption Date (February 15)
425,000	2038
450,000	2039(1)

(1) Final Maturity.

$965,000 TERM CERTIFICATES MATURING February 15, 2041

Principal Amount ($)	Redemption Date (February 15)
470,000	2040
495,000	2041(1)

(1) Final Maturity.

$1,060,000 TERM CERTIFICATES MATURING February 15, 2043

Principal Amount ($)	Redemption Date (February 15)
520,000	2042
540,000	2043(1)

(1) Final Maturity.

$3,065,000 TERM CERTIFICATES MATURING February 15, 2048

Principal Amount ($)	Redemption Date (February 15)
565,000	2044
585,000	2045
610,000	2046
640,000	2047
665,000	2048(1)

(1) Final Maturity.

$3,790,000 TERM CERTIFICATES MATURING February 15, 2053

Principal Amount ($)	Redemption Date (February 15)
695,000	2049
725,000	2050
755,000	2051
790,000	2052
825,000	2053(1)

(1) Final Maturity.

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

Notice of Redemption

Not less than 30 days prior to a redemption date for the Certificates, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each registered owner of a Certificate 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. If notice is so given and sufficient funds are provided for the payment of the redemption price of the Certificates, interest shall cease to accrue after the date fixed for redemption whether or not the Certificates have been submitted for payment. 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, AND THE FUNDS NECESSARY TO REDEEM SUCH CERTIFICATES HAVING BEEN PROVIDED, 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.

The Paying Agent/Registrar and the City, so long as a Book-Entry-Only System is used for the Certificates, will send any notice of redemption, notice of proposed amendment to the Ordinance or other notices with respect to the Certificates only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Certificates called for redemption or any other action premised on any such notice. Redemption of portions of the Certificates by the City will reduce the outstanding principal amount of such Certificates held by DTC.

In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Certificates held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Certificates from the beneficial owners.

Any such selection of Certificates to be redeemed will not be governed by the Ordinance and will not be conducted by the City or the Paying Agent/Registrar. Neither the City nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants, or the persons for whom DTC participants act as nominees, with respect to the payments on the Certificates or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Certificates for redemption (see “BOOK-ENTRY-ONLY SYSTEM”).

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Sources and Uses of Funds

The proceeds from the sale of the Certificates will be applied approximately as follows:

Sources	
Principal Amount of Certificates	$ 13,900,000.00
Net Original Issue Premium	445,214.20
Total Sources of Funds	14,345,214.20
Uses	
Deposit to Construction Fund	14,000,000.00
Costs of Issuance[1]	249,378.55
Underwriters' Discount	95,835.65
Total Uses of Funds	$14,345,214.20

(1) Includes the Municipal Bond Insurance Premium.

GENERAL INFORMATION REGARDING THE CERTIFICATES

General Description

The Certificates will be dated July 1, 2023 (the "Dated Date") and will be issued in fully registered form in principal denominations of $5,000 or any integral multiple thereof. The Certificates will bear interest from the date of delivery to the underwriters listed on the cover page hereof (the "Underwriters"), and interest will be paid semiannually on each February 15 and August 15, commencing February 15, 2024. Interest will accrue on the Certificates on the basis of a 360-day year consisting of twelve 30-day months. The Certificates will be issued as book-entry-only securities pursuant to arrangements made with The Depository Trust Company, New York, New York. See "BOOK-ENTRY-ONLY SYSTEM."

Principal of the Certificates will be payable to the registered owners (the "Owners") at maturity or prior redemption upon presentation and surrender of such Certificates at the principal corporate office of the paying agent/registrar (the "Paying Agent/Registrar"), initially BOKF, NA, Dallas, Texas. Interest on the Certificates will be payable by check dated as of the interest payment date and mailed by the Paying Agent/Registrar to Owners as shown on the records of the Paying Agent/Registrar on the Record Date (see "REGISTRATION, TRANSFER AND EXCHANGE – Record Date for Interest Payment" herein), or by such other customary banking arrangement, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Owner. If the date for the payment of the principal of or interest on a Certificate shall be a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or a day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

The Certificates will mature on the dates, in the amounts and bear interest at the rates as set forth on inside cover page of this Official Statement.

Legality

The Certificates are offered when, as and if issued, subject to the approvals of legality by the Attorney General of the State of Texas and Jackson Walker LLP, Houston, Texas, Bond Counsel. See "LEGAL MATTERS" and Appendix C – "Form of Opinion of Bond Counsel" herein.

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 authorized escrow agent, in trust (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. The Ordinance provides that "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharges obligations such as the Certificates. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the defeasance is approved by the City Council of the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the defeasance is approved by the City Council of the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The City has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Certificates. Because the Ordinance does not contractually limit such investments, registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Upon defeasance, all rights of the City to initiate proceedings to call the Certificates for redemption or take any other action amending the terms of the Certificates are extinguished; provided, however, that the right to call the Certificates for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Upon making such deposit in the manner described, such defeased Certificates shall no longer be deemed outstanding obligations secured by the Ordinance, but will be payable only from the funds and Defeasance Securities deposited in escrow and will not be considered debt of the City for purposes of taxation or applying any limitation on the City's ability to issue debt or for any other purpose.

Amendments to the Ordinance

In the Ordinance, the City has reserved the right to amend such Ordinance without the consent of any holder of the Certificates in any manner not detrimental to the interests of the holders of the Certificates, including the curing of any ambiguity, defect or omission therein.

The Ordinance further provides that the holders of the Certificates aggregating in principal amount 51% of the outstanding Certificates shall have the right from time to time to approve any amendment not described above to the Ordinance; provided, however, that without the consent of 100% of the holders in original principal amount of the then outstanding Certificates no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Certificates; (ii) reducing the rate of interest borne by any of the outstanding Certificates; (iii) reducing the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates; (iv) modifying the terms of payment of principal or of interest or redemption premium on outstanding Certificates; or

(v) changing the minimum percentage of the principal amount of the Certificates necessary for consent to such amendment. Reference is made to the Ordinance for further provisions relating to the amendment thereof.

OWNERSHIP

The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment of principal and interest, and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Paying Agent/Registrar will be bound by any notice or knowledge to the contrary.

All payments made to the person deemed to be the owner of any Certificate in accordance with the Ordinance will be valid and effectual and will discharge the liability of the City and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

OWNERS' REMEDIES

The Ordinance does not provide for the appointment of a trustee to represent the interests of the Certificate holders upon any failure of the City to perform in accordance with the terms of the Ordinance or upon any other condition and, in the event of any such failure to perform, the registered owners would be responsible for the initiation and cost of any legal action to enforce performance of the Ordinance. The Ordinance establishes specific events of default with respect to the Certificates. If the City defaults in the payment of the principal of or interest on the Certificates when due, or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the Ordinance provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. A registered owner of Certificates could seek a judgment against the City if a default occurred in the payment of principal of or interest on any such Certificates; however, such judgment could not be satisfied by execution against any property of the City and a suit for monetary damages could be vulnerable to the defense of sovereign immunity. A registered owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the City to levy, assess, and collect an annual ad valorem tax sufficient to pay principal of and interest on the Certificates as it becomes due or perform other material terms and covenants contained in the Ordinance. However, the enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis.

The City is also 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 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 Certificate holders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Ordinance and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors, including rights afforded to creditors under the Bankruptcy Code, by principles of governmental immunity, and by general principles of equity that permit the exercise of judicial discretion.

BOOK-ENTRY-ONLY SYSTEM

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

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the 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 Paying Agent/Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 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, interest, and redemption 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, 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 principal, interest, and redemption payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants 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, Certificates are required to be printed and delivered.

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

Use of Certain Terms in Other Sections of this Official Statement

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

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

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

BOKF, NA, Dallas, Texas has been named to serve as initial Paying Agent/Registrar for the Certificates. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. If the City replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the City shall be a commercial bank; a trust company organized under applicable law; or other entity duly qualified and legally authorized to serve and perform the duties of the 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 by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

In the event the Book-Entry-Only System should be discontinued, interest on the Certificates will be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the

Record Date (hereinafter defined), and such interest will be paid (i) by check sent United States mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal and redemption payments of the Certificates will be paid to the registered owner at the stated maturity or earlier redemption upon presentation to the designated payment/transfer office of the Paying Agent/Registrar. If the date for the payment of the principal or interest on the Certificates is a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment will be the next succeeding day which is not such a day, and payment on such date will have the same force and effect as if made on the date payment was due. So long as Cede & Co. is the registered owner of the Certificates, principal, interest, and redemption payments on the Certificates will be made as described in "BOOK-ENTRY-ONLY SYSTEM" above.

Future Registration

In the event the book-entry-only system should be discontinued, printed Certificates will be delivered to the Owners and thereafter the Certificates may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the 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. A new Certificate will be delivered by the Paying Agent/Registrar in lieu of the Certificate 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 at the Owner's request, risk and expense. New Certificates issued in an exchange or transfer of Certificates will be delivered to the registered Owner or assignee of the Owner after the receipt of the Certificates to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the 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 of like kind and in authorized denominations and for a like aggregate principal amount as the Certificates surrendered for exchange or transfer. See "BOOK-ENTRY-ONLY SYSTEM" for a description of the system to be utilized initially in the settlement and transfer of the Certificates.

Record Date for Interest Payment

The record date ("Record Date") for the interest payable on any interest payment date is the close of business on the last business day of the month next preceding such interest payment date, as specified in the Ordinance. In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (the "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 (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least 5 days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Certificate appearing on the 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.

Limitation on Transfer of Certificates

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Certificate, or any portion thereof, called for redemption prior to maturity within 45 days prior to its redemption date, provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Certificate.

Replacement of Certificates

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

AD VALOREM PROPERTY TAXATION

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. Reference is made to 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 ("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 Garza Central Appraisal District (the "Appraisal District"). Except as described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

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

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

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

State Mandated Homestead Exemptions

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

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than $5,000) and (2) an additional exemption of at least $3,000 of the appraised value of the homesteads of persons 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. See Table 1 for the reduction in taxable valuation, if any, attributable to local option homestead exemptions.

Local Option Freeze for the Elderly and Disabled

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

Personal Property

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

Freeport and Goods-In-Transit Exemptions

Certain goods 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 to tax Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or outside of the State, stored in a location that is not owned by the owner of the goods and are transferred from that location to another location within or outside of the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation unless a taxing unit takes official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax Goods-in-Transit beginning the following tax year. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include special inventories such as motor vehicles or boats in a dealer's retail inventory. A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property. See Table 1 for the reduction in taxable valuation, if any, attributable to Goods-in-Transit or Freeport Property exemptions.

Other Exempt Property

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

Tax Increment Financing Zones

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

Tax Abatement Agreements

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. See "AD VALOREM PROPERTY TAXATION – City Application of the Property Tax Code" for descriptions of any of the City's tax abatement agreements. See Table 1 for the reduction in taxable valuation, if any, attributable to tax abatement agreements.

For a discussion of how the various exemptions described above are applied by the City, see "AD VALOREM PROPERTY TAXATION – City Application of the Property Tax Code" herein.

Public Hearing and Maintenance and Operation Tax Rate Limitations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Debt Tax Rate Limitations

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

City's Rights in the Event of Tax Delinquencies

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

Issuer and Taxpayer Remedies

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

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

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

City Application of the Property Tax Code

The City does not grant a local exemption for residence homesteads of persons 65 years of age or older or for residence homesteads of persons who are disabled.

The City taxes only business personal property.

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

The City does not grant the Freeport exemption.

The City has not taken action to tax Goods-in-Transit

The City does not participate in a TIRZ.

The City does not have any tax abatement agreements.

RETIREMENT PLAN

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System, an agent multi-employer public employee retirement system. For a discussion of the Retirement Plan, see Appendix D "Audited Financial Statements for the Fiscal Year Ended September 30, 2022."

INVESTMENT POLICIES

Accounting Principles Generally Accepted in the United States

The City policy is to adhere to accounting principles generally accepted in the United States (see "Appendix D - Audited Financial Statements for the Fiscal Year Ended September 30, 2022").

Legal Investments

Under Texas law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loans Banks (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body of the City or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of Chapter 2256, Texas Government Code (the "Public Funds Investment Act") that are issued by an institution that has its main office or a branch office in Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, and are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State of Texas that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements as defined in the Public Funds Investment Act, that have a defined termination date, are secured by a combination of cash and obligations described in clauses (1) or (13) in this paragraph, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less; (12) certain bankers' acceptances with stated maturity of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated not less than "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (13) commercial paper with a stated maturity of 365 days or less that is rated not less than "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have either (a) a duration of one year or more and invest exclusively in obligations described under the heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

A political subdivision such as the City may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, other than the prohibited obligations described below, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution.

The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Investment Policies

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Texas Public Funds Investment Act. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each

Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

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

Additional Provisions

Under Texas law, the City is additionally required to: (1) annually review its adopted policies and strategies, (2) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City, (3) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy, (5) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement, (6) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, (7) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements and (8) provide specific investment training for the Treasurer, the chief financial officer (if not the Treasurer) and the investment officer.

Current Investments

As of September 30, 2022, the City's investment portfolio was invested in the following categories. As of such date, the market value of such investments was approximately 100% of their book value.

Type of Investment	Amount
Pooled Cash - Happy State Bank	$4,276,820.70
Total	$4,276,820.70

INFECTIOUS DISEASE OUTBREAK – COVID-19

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State of Texas (the "State") because of the effects of COVID-19.

Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings, and other activities.

There are currently no COVID-19-related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities if needed to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference into this Official Statement.

With the easing or removal of COVID-19 associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19 or a similar virus. The City cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and re-imposition of restrictions. The Certificates are secured by a limited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Certificates as well as the City's share of operations and maintenance expenses payable from ad valorem taxes.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned a rating of "AA" to the Certificates based upon the municipal bond insurance policy to be issued by Build America Mutual Assurance Company upon delivery of the Certificates. The Certificates have also been assigned an underlying rating of "A-" by S&P. An explanation of the significance of such ratings may be obtained from S&P. Such ratings reflect only the views of S&P and the City makes no representation as to the appropriateness of any rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Certificates. Neither the Underwriters nor the City has undertaken any responsibility to bring to the attention of the holders of the Certificates any proposed revision or withdrawal of the rating of the Certificates or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such ratings could have an adverse effect on the market price of the Certificates. See "BOND INSURANCE"

PENDING LITIGATION

The City is not a party to any litigation or other proceeding pending or to its knowledge, threatened, in any court, agency, or other administrative body (either state or federal) which, if decided adversely to the City, would have a material adverse effect on the financial statements or operations of the City. At the time of the initial delivery of the Certificates, the City will provide the Underwriters with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Certificates or that affects the payment and security of the Certificates or in any other manner questioning the issuance, sale, or delivery of said Certificates.

LEGAL MATTERS

The City will furnish a complete transcript of proceedings incident to the authorization and issuance of the Certificates, including the approving legal opinions of the Attorney General of the State of Texas to the effect that the Certificates are valid and binding obligations of the City, and based upon examination of such transcripts of proceedings, the approving legal opinions of Bond Counsel to the effect that (i) the Certificates are issued in compliance with the provisions of the Ordinance and are valid and legally binding obligations of the City and (ii) the interest on the Certificates is exempt from federal income taxation under existing statutes, published rulings, regulations, and court decisions (see "TAX MATTERS"). Bond Counsel has not been engaged to investigate the financial resources of the City or its ability to provide for payment of the Certificates, and the opinion of Bond Counsel will make no statement as to such matters, or any other information that may have been relied on by anyone in making the decision to purchase the Certificates. Though it represents the Underwriters from time to time in matters unrelated to the issuance of the Certificates, Bond Counsel has been engaged by and only represents the City in connection with the issuance of the Certificates. The applicable legal opinion will be printed on or attached to the definitive Certificates.

Bond Counsel has reviewed the statements and information appearing in the Official Statement under the captions "THE CERTIFICATES" (except the subcaption "Sources and Uses of Funds"), "GENERAL INFORMATION REGARDING THE CERTIFICATES," "REGISTRATION, TRANSFER AND EXCHANGE," "AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operation Tax Rate Limitations," "LEGAL MATTERS," "TAX MATTERS," "LEGAL INVESTMENTS IN TEXAS," "REGISTRATION AND QUALIFICATION OF ISSUE FOR SALE" and "CONTINUING DISCLOSURE OF INFORMATION" (except the subcaption "Compliance With Prior Undertakings"), and Bond Counsel is of the opinion that the information contained under such captions and subcaptions fairly summarizes the procedures and documents referred to therein and is correct as to matters of law. Bond Counsel has not independently verified any of the factual information contained in this Official Statement nor have they conducted an investigation of the affairs of the City for the purpose of passing upon the accuracy, completeness, or fairness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy, completeness, or fairness of any of the information contained herein.

TAX MATTERS

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

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

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

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

A ruling was not sought from the Internal Revenue Service by the City with respect to the Certificates or the property financed or refinanced with proceeds of the Certificates. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Certificates, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Certificate holders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Certificates. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

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

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

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Certificates will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under Sections 1471 through 1474 or backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

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

LEGAL INVESTMENTS IN TEXAS

Under the Texas Public Security Procedures Act (Texas Government Code, Chapter 1201), the Certificates (1) are negotiable instruments, (2) are investment securities to which Chapter 8 of the Texas Uniform Commercial Code applies, and (3) are legal and authorized investments for (A) an insurance company, (B) a fiduciary or trustee, or (C) a sinking fund of a municipality or other political subdivision or public agency of the State of Texas. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and political subdivisions, and are legal security for those deposits to the extent of their market value. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Certificates must be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before such Certificates are eligible investments for sinking funds and other public funds. 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.

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.

REGISTRATION AND QUALIFICATION OF ISSUE FOR SALE

No registration statement relating to the Certificates has been filed with the United States Securities and Exchange Commission 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 registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been registered or qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for registration or qualification of the Certificates under the securities laws of any other jurisdiction in which the Certificates may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration and qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdictions.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the holders and beneficial owners of the Certificates. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Certificates. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge from the MSRB via Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

Annual Reports

The City shall provide annually to the MSRB, within twelve (12) months after the end of each fiscal year and in an electronic format prescribed by the MSRB and available via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org, financial information and operating data with respect to the City of the general type described in the Official Statement, being Tables 1-5 attached hereto. Any financial statements so to be provided shall be prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state or federal law or regulation and (b) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available at the time the financial information and operating data must be provided, then the City shall provide unaudited financial statements for the applicable fiscal year to the MSRB and shall provide to the MSRB audited financial statements, when and if the same become available.

The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial information of the City of the general type included in this Official Statement by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX D or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by the last day of September in each year following the end of its fiscal year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

Material Event Notices

The City will also provide timely notices of certain events to the MSRB (not in excess of ten (10) days after the occurrence of the event). The City will provide notice 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; (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 the change of name of a trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports”. All documents provided to the MSRB shall be accompanied by identifying information, as prescribed by the MSRB.

Limitations and Amendments

The City has agreed to update information and to provide notices of material 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 and beneficial owners of the Certificates may seek a writ of mandamus to compel the City to comply with its agreement.

This continuing disclosure agreement may be amended by the City 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, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners 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 provision 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 amends its agreement, it must include with the next financial information and opening 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 type of information and data provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision 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.

Compliance with Prior Undertakings

During the last five years, the City has compiled in all material respects with its previous continuing disclosure agreements in accordance with the Rule.

OTHER INFORMATION

Financial Advisor

In its role as Financial Advisor, Government Capital Securities Corporation has relied on the City for certain information concerning the City and the Certificates. The fee of the Financial Advisor for services with respect to the Certificates is contingent upon the issuance and sale of the Certificates. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

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

Audited Financial Statements

Bolinger, Segars, Gilbert & Moss, L.L.P., the City's independent auditor, has not reviewed, commented on, or approved, and is not associated with, this Official Statement. The report of Bolinger, Segars, Gilbert & Moss, L.L.P. relating to City's financial statements for the fiscal year ended September 30, 2022 is included in this Official Statement in APPENDIX D; however, Bolinger, Segars, Gilbert & Moss, L.L.P. has not performed any procedures on such financial statements since the date of such report, and has not performed any procedures on any other financial information of the City, including without limitation any of the information contained in this Official Statement.

Underwriting

Raymond James & Associates, Inc., as representative of the Underwriters, has agreed to purchase the Certificates from the City for $14,249,378.55 (being the principal amount of the Certificates, plus a net premium of $445,214.20, less an Underwriters' discount of $95,835.65).

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

Forward-Looking Statements

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 obligations to update any such forward-looking statements. It is important to note that the City's actual results could differ materially from those in such forward-looking statements.

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

Concluding Statement

The information set forth herein has been obtained from the City's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and the Ordinance contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and the Ordinance. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

/s/ Marvin Self
Mayor, City of Post, Texas

ATTEST:

/s/ Meg Nelson
City Secretary, City of Post, Texas

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APPENDIX A

FINANCIAL INFORMATION REGARDING THE CITY OF POST, TEXAS

FINANCIAL INFORMATION FOR THE CITY

ASSESSED VALUATION — TABLE 1

2022-2023 Total Value of Taxable Property		$131,151,738
Less Exemptions:		
Local, Optional Over-65 and/or Disabled Homestead Exemptions	$ 3,015,425	
Disabled and Deceased Veterans' Exemptions	593,658	
Productivity Value Loss	1,022,582	
Homestead Cap Loss	1,664,552	
Abatement	0	
Total Exempt Property	0	
Other	69,575	6,365,792
2022-2023 Net Taxable Assessed Valuation (100% of Actual)[(a)]		$124,785,946

(a) *See "TAX INFORMATION - City Application of the Property Tax Code" in the Official Statement for a description of the City's taxation procedures.*

Source: Garza County Appraisal District

PRINCIPAL TAXPAYERS — TABLE 2

Name	Type of Business	2022/23 Net Taxable Assessed Valuation	% of Total 2022/23 Assessed Valuation*
George R. Brown Partnership	Oil & Gas	$14,484,593	11.61%
Southwestern Public Service Co.	Electric Utility	3,182,005	2.55%
BNSF Railway Co.	Railroad	2,872,624	2.30%
Post-Montgomery	Oil & Gas	2,502,021	2.01%
Fikes Wholesale Inc.	Fuel Products Distributor	2,443,639	1.96%
Rocker A Operating	Oil & Gas	2,026,036	1.62%
H & M Dirt Contractors Inc.	Oil & Gas	1,876,255	1.50%
Atmos Energy/West Texas Div.	Oil & Gas	1,777,792	1.42%
STRC Investments LLC	Residential Land	1,598,640	1.28%
Denver City Hospitality, LLC	Hotel/Motel	1,533,000	1.23%
Total		$34,296,605	27.48%

* Based on 2022-2023 Net Taxable Assessed Valuation of $124,785,946.

Source: Garza County Appraisal District

PROPERTY TAX RATES AND COLLECTIONS[(a)] TABLE 3

Tax Year	Net Taxable Assessed Valuation	Tax Rate	Collection % Current	Collection % Total[(b)]	Fiscal Year Ended
2018	$ 99,818,568	$0.541815	103.61%	103.61%	9-30-19
2019	112,075,234	0.573456	100.29%	100.29%	9-30-20
2020	106,501,485	0.584037	99.89%	99.89%	9-30-21
2021	110,592,955	0.584030	96.39%	96.39%	9-30-22
2022	124,785,946	0.637910	In process		9-30-23

(a) *See "TAX INFORMATION - The City Application of the Property Tax Code" in the Official Statement for a description of the City's taxation procedures.*

(b) *Excludes interest and penalties.*

Source: *Texas Municipal Report published by the Municipal Advisory Council of Texas, the Garza County Appraisal District, and the City's 2022 Annual Financial Statements.*

Note: *Assessed Valuations may change during the year due to various supplements and protests, and valuations on a later date or in other tables of this Official Statement may not match those shown on this table.*

TAX RATE DISTRIBUTION TABLE 4

	2022-23	2021-22	2020-21	2019-20	2018-19
Maintenance & Operations	$0.322984	$0.345710	$0.395454	$0.377159	$0.541815
I & S Fund	0.314926	0.238320	0.188583	0.196297	0.108290
TOTAL	$0.637910	$0.584030	$0.584037	$0.573456	$0.541815

Source: City

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GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS — TABLE 5

Fiscal Year 30-Sept	Principal	Interest	Total Debt Service
2024	$165,000.00	$676,336.56	$841,336.56
2025	225,000.00	619,112.50	844,112.50
2026	235,000.00	607,612.50	842,612.50
2027	245,000.00	595,612.50	840,612.50
2028	260,000.00	582,987.50	842,987.50
2029	270,000.00	569,737.50	839,737.50
2030	285,000.00	555,862.50	840,862.50
2031	300,000.00	541,237.50	841,237.50
2032	315,000.00	525,862.50	840,862.50
2033	335,000.00	509,612.50	844,612.50
2034	350,000.00	492,487.50	842,487.50
2035	370,000.00	474,487.50	844,487.50
2036	385,000.00	455,612.50	840,612.50
2037	405,000.00	435,862.50	840,862.50
2038	425,000.00	415,112.50	840,112.50
2039	450,000.00	393,237.50	843,237.50
2040	470,000.00	370,237.50	840,237.50
2041	495,000.00	346,112.50	841,112.50
2042	520,000.00	323,337.50	843,337.50
2043	540,000.00	302,137.50	842,137.50
2044	565,000.00	279,331.25	844,331.25
2045	585,000.00	254,893.75	839,893.75
2046	610,000.00	229,500.00	839,500.00
2047	640,000.00	202,937.50	842,937.50
2048	665,000.00	175,206.25	840,206.25
2049	695,000.00	146,306.25	841,306.25
2050	725,000.00	116,131.25	841,131.25
2051	755,000.00	84,681.25	839,681.25
2052	790,000.00	51,850.00	841,850.00
2053	825,000.00	17,531.25	842,531.25
TOTAL	$13,900,000.00	$11,350,967.81	$25,250,967.81

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APPENDIX B

GENERAL INFORMATION REGARDING THE CITY OF POST, TEXAS

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General

The City of Post, Texas (the "City"), is the county seat of Garza County, is on the Santa Fe Railroad at the junction of U.S. highways 84 and 380, east of the Caprock escarpment near the west central part of the county. The town began under the name Post City in 1907 as a colonizing venture of cereal manufacturer Charles William Post (Post Cereal Company), who sought to develop a model town.

He purchased 200,000 acres of ranchland and established the Double U. Company to manage the town's construction. The town changed its name to Post when it incorporated in 1914, the year of C. W. Post's death.

Postex Cotton Mills, which began production in 1913 was the town's leading industry up to the 1980's whereas the mill was converted to Post Mill Trade Days, a very popular venue. Oilfield service companies have been important to the economy, as have farming and ranching. The Giles W. Dalby Correction Institution was opened in 1999 and houses a capacity of 1776 residents. It remains one of the largest employers in the county transitioning from a private facility to a county jail system. As of the 2020 census the population of Post was 4790. Post continues to grow and prosper adding multiple convenient stores and fast-food establishment catering to travelers connecting routes from New Mexico to South Texas.

Garza County

Garza is named for a pioneer Bexar County family, as it was once a part of that county. The county seat is Post. Garza County was formed from Bexar County in 1876. It began to be settled by ranchmen during the mid-1870's, when buffalo hunting had nearly devastated the herds. Two of the earliest ranchers in the county were Andy and Frank Long, who stocked the range south of the Double Mountain Fork of the Brazos for their OS Ranch.

In 1879 W. C. Young and Ben Galbraith established the Llano Cattle Co in the northwest part of Garza County. The ubiquitous West Texas rancher John B. Slaughter used Garza County rangeland during the 1870's. In 1880 the census counted thirty-six residents in the county.

The development of the county quickly accelerated after 1906, when Charles William Post bought 250,000 acres in Lynn and Garza counties to start an experimental colony. He bought several ranches, fenced off the land in 160-acre tracts, laid out a townsite, built houses, and in other ways worked to attract settlers. In 1907 Garza County was formally organized, with the new town of Post City designated as county seat. Land speculators and liquor were banned in the settlement. That same year, Stockton Henry began publication of the Post City Post.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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Hoang T. Vu
(713) 752-4561 (Direct Dial)
(713) 752-4221 (Direct Fax)
hvu@jw.com

July 18, 2023

City of Post, Texas Certificates of Obligation, Series 2023

Ladies and Gentlemen:

We have acted as bond counsel to the City of Post, Texas (the "City") in connection with the issuance of $13,900,000 aggregate principal amount of Obligations designated as "City of Post, Texas Certificates of Obligation, Series 2023" (the "Obligations"). The Obligations are authorized by an ordinance adopted by the City Council of the City (the "City Council") on June 26, 2023 (the "Ordinance"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Ordinance.

In such connection, we have reviewed the Ordinance, the tax certificate of the City dated the date hereof (the "Tax Certificate"), certificates of the City, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Ordinance and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations, the Ordinance and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or

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affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against issuers in the State of Texas. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or to have the effect of a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Obligations and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Obligations constitute the valid and binding obligations of the City.

2. The City Council has power and is obligated to levy an annual ad valorem tax, within the limits prescribed by law, upon taxable property located within the City, which taxes have been pledged irrevocably to pay the principal of and interest on the Obligations.

3. The Obligations are also secured by a limited (in an amount not to exceed $1,000) subordinate pledge of revenues derived from operation of the City's waterworks and sewer system.

4. Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Faithfully yours,

JACKSON WALKER LLP

APPENDIX D

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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CITY OF POST, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2022

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

CITY OF POST, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2022

CITY OF POST, TEXAS

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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CITY OF POST, TEXAS

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
8215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

City Council
City of Post, Texas
Post, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Post, Texas, as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Post, Texas' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Post, Texas, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Post, Texas (the City) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the plan's net pension liability and related ratios, and schedule of employer contributions, schedule of changes in the total OPEB liability and related ratios, and budgetary comparison information as listed in the table of contents to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report December 12, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering of the City's internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

December 12, 2022

BASIC FINANCIAL STATEMENTS

CITY OF POST, TEXAS

EXHIBIT A-1

STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$ 2,789,774	$ 1,893,045	$ 4,682,819
Receivables, Net of Allowances	472,494	263,227	735,721
Prepaid Items	134,330	36,167	170,497
Capital Assets			
Land	2,071,873	11,316	2,083,189
Construction in Progress	36,622	315,864	352,486
Depreciable Assets	4,735,765	9,599,999	14,335,764
Water Rights		1,023,248	1,023,248
Total Assets	$ 10,240,858	$ 13,142,866	$ 23,383,724
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Plan - Employer Contribution Deferrals	$ 94,796	$ 33,307	$ 128,103
OPEB Plan - Employer Contribution Deferrals	3,442	1,209	4,651
OPEB Plan - Assumption Changes	8,030	2,822	10,852
Total Deferred Outflows of Resources	$ 106,268	$ 37,338	$ 143,606
LIABILITIES:			
Accounts Payable	$ 50,622	$ 95,745	$ 146,367
Accrued Interest Payable	37,089	20,797	57,886
Accrued Wages	30,015	16,595	46,610
Customer Deposits		110,425	110,425
Other Current Liabilities	26,567		26,567
Noncurrent Liabilities			
Long-Term Debt Due within One Year	178,512	499,025	677,537
Long-Term Debt Due in More Than One Year	1,458,504	1,081,243	2,539,747
Closure/Post Closure Landfill Obligation	397,375		397,375
Accrued Compensated Absences	65,026	21,516	86,542
Net Pension Liability	521,018	183,061	704,079
Total OPEB Liability	91,281	32,072	123,353
Total Liabilities	$ 2,856,009	$ 2,060,479	$ 4,916,488
DEFERRED INFLOWS OF RESOURCES:			
Pension Plan - Investment Differences	$ 99,688	$ 35,025	$ 134,713
Pension Plan - Experience Differences	18,236	6,407	24,643
Pension Plan - Changes in Assumptions	52	18	70
OPEB Plan - Experience Differences	1,282	450	1,732
Unearned Revenue - Unspent Grant Funds	0	1,270,757	1,270,757
Total Deferred Inflows of Resources	$ 119,258	$ 1,312,657	$ 1,431,915
NET POSITION:			
Net Investment in Capital Assets	$ 5,170,622	$ 8,738,431	$ 13,909,053
Restricted For:			
Promotions and Advertising	220,465		220,465
Technology	34,754		34,754
Security	45,898		45,898
Economic Development	34,525		34,525
Debt Service	63,022		63,022
Unrestricted	1,802,573	1,068,637	2,871,210
Total Net Position	$ 7,371,859	$ 9,807,068	$ 17,178,927

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS

EXHIBIT A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental Activities:							
Administration	$ 707,701	$ 10,343	$	$	$ (697,358)	$	$ (697,358)
Police Department and Court	885,367	186,697			(698,670)		(698,670)
Fire	134,255		77,812		(56,443)		(56,443)
Streets	332,093			53,865	(278,228)		(278,228)
Sanitation	263,913	466,867			202,954		202,954
Landfill	260,127		64,196		(195,931)		(195,931)
Cemetery	210,581	24,475			(186,106)		(186,106)
Parks	256,247	2,051		150,000	(104,196)		(104,196)
Libraries	101,888	949	602		(100,337)		(100,337)
Airport	37,505		36,875		(630)		(630)
Depreciation	710,303				(710,303)		(710,303)
Interest on Long-Term Debt	49,349				(49,349)		(49,349)
Total Governmental Activities	$ 3,949,329	$ 691,382	$ 179,485	$ 203,865	$ (2,874,597)	$ 0	$ (2,874,597)
Business-Type Activities:							
Water and Sewer	$ 2,694,496	$ 1,982,208	$ 26,570	$	$ 0	$ (685,718)	$ (685,718)
Total Business-Type Activities	$ 2,694,496	$ 1,982,208	$ 26,570	$ 0	$ 0	$ (685,718)	$ (685,718)
Total Primary Government	$ 6,643,825	$ 2,673,590	$ 206,055	$ 203,865	$ (2,874,597)	$ (685,718)	$ (3,560,315)
General Revenues:							
Property Taxes					$ 687,287	$	$ 687,287
Sales Taxes					1,350,220		1,350,220
Gross Receipts Taxes					279,279		279,279
Motel Occupancy Taxes					95,363		95,363
Rents and Royalties					377,328		377,328
Investment Earnings					48,623		48,623
Loss on Disposition of Capital Assets					(18,883)		(18,883)
Other					71,764	5,292	77,056
Transfers					(1,529,512)	1,529,512	
Total General Revenue and Transfers					$ 1,361,469	$ 1,534,804	$ 2,896,273
Change in Net Position					$ (1,513,128)	$ 849,086	$ (664,042)
Net Position - Beginning					8,884,987	8,957,982	17,842,969
Net Position - Ending					$ 7,371,859	$ 9,807,068	$ 17,178,927

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS

EXHIBIT A-3

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	$ 2,454,899	$ 334,875	$ 2,789,774
Receivables, Net of Allowances	399,222	73,272	472,494
Prepaid Expenses	134,330		134,330
Total Assets	$ 2,988,451	$ 408,147	$ 3,396,598
LIABILITIES:			
Accounts Payable	$ 50,622	$	$ 50,622
Accrued Wages	30,015		30,015
Other Current Liabilities	26,567		26,567
Total Liabilities	$ 107,204	$ 0	$ 107,204
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	$ 13,756	$ 9,483	$ 23,239
Total Deferred Inflows of Resources	$ 13,756	$ 9,483	$ 23,239
FUND BALANCES:			
Nonspendable - Prepaids	$ 134,330	$	$ 134,330
Restricted For:			
Debt Service		63,022	63,022
Promotions and Advertising		220,465	220,465
Technology		34,754	34,754
Security		45,898	45,898
Economic Development		34,525	34,525
Assigned for:			
Landfill Reserve	291,839		291,839
Unassigned	2,441,322		2,441,322
Total Fund Balances	$ 2,867,491	$ 398,664	$ 3,266,155
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,988,451	$ 408,147	$ 3,396,598

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS

EXHIBIT A-4

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2022

Total Fund Balances - Governmental Funds Balance Sheet	$	3,266,155
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:		
Net Capital assets used in governmental activities are not reported in the funds.		6,844,260
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		23,239
Payables for debt principal which are not due in the current period are not reported in the funds.		(1,637,016)
Payables for accrued interest which are not due in the current period are not reported in the funds.		(37,089)
Payables for compensated absences which are not due in the current period are not reported in the funds.		(65,026)
Closure and post closure costs which are not due and payable in the current period are not reported in the funds.		(397,375)
Total OPEB liability and related deferred outflows are not reporting in the funds.		(81,091)
Net pension liability and related deferred inflows and outflows are not reported in the funds.		(544,198)
Net Position of Governmental Activities - Statement of Net Position	$	7,371,859

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS

EXHIBIT A-5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
General Property Taxes	$ 411,853	$ 274,233	$ 686,086
General Sales Taxes	1,012,665	337,555	1,350,220
Gross Receipts Business Taxes	279,279		279,279
Motel Occupancy Taxes		95,363	95,363
Intergovernmental	383,350		383,350
Charges for Services	504,685		504,685
Fines and Fees	176,020	10,677	186,697
Rents and Royalties	377,328		377,328
Investment Earnings	48,623		48,623
Miscellaneous	71,764		71,764
Total Revenues	$ 3,265,567	$ 717,828	$ 3,983,395
Expenditures:			
Current:			
Administration	$ 624,751	$ 55,430	$ 680,181
Police Department and Court	856,133	3,308	859,441
Fire	133,677		133,677
Streets	601,447		601,447
Sanitation	238,565		238,565
Landfill	246,927		246,927
Cemetery	182,386		182,386
Parks	556,968		556,968
Libraries	95,618		95,618
Airport	37,505		37,505
Debt Service:			
Principal	160,155		160,155
Interest and Fiscal Charges	44,748		44,748
Total Expenditures	$ 3,778,880	$ 58,738	$ 3,837,618
Excess (Deficiency) of Revenues Over Expenditures	$ (513,313)	$ 659,090	$ 145,777
Other Financing Sources (Uses):			
Transfers In/Out	$	$ (1,529,512)	$ (1,529,512)
Sale of Real and Personal Property	598		598
Lease Obligations	61,825		61,825
Total Other Financing Sources (Uses)	$ 62,423	$ (1,529,512)	$ (1,467,089)
Net Change in Fund Balances	$ (450,890)	$ (870,422)	$ (1,321,312)
Fund Balances - Beginning	3,318,381	1,269,086	4,587,467
Fund Balances - Ending	$ 2,867,491	$ 398,664	$ 3,266,155

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS

EXHIBIT A-6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net Change in Fund Balances - Total Governmental Funds	$	(1,321,312)
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:		
Capital assets are not reported as expenses in the SOA.		658,155
The depreciation of capital assets used in governmental activities is not reported in the funds.		(710,303)
The loss on disposition of capital assets is not reported in the funds.		(19,481)
Lease obligations are not reported in the SOA.		(61,825)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		1,201
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.		(27,593)
Repayment of debt principal is an expenditure in the funds but is not an expense in the SOA.		160,155
Change in accrued interest from beginning of period to end of period.		(4,601)
Pension Expense is not accrued in the funds related to the Net Pension Liability, Deferred Outflow, and Deferred Inflows.		(170,094)
OPEB Expense is not accrued in the funds related to the Total OPEB Liability and Deferred Outflows.		(4,097)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.		(13,333)
Change in Net Position of Governmental Activities - Statement of Activities	$	(1,513,128)

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS

EXHIBIT A-7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

		Major Proprietary Fund Water and Sewer
ASSETS:		
Cash and Cash Equivalents	$	1,893,045
Receivables, Net of Allowances		263,227
Prepaid Items		36,167
Capital Assets, Net of Accumulated Depreciation and Amortization		
Land		11,316
Construction in Progress		315,864
Depreciable Assets		9,599,999
Water Rights		1,023,248
Total Assets	$	13,142,866
DEFERRED OUTFLOWS OF RESOURCES:		
Pension Plan - Employer Contribution Deferrals	$	33,307
OPEB Plan - Employer Contribution Deferrals		1,209
OPEB Plan - Assumption Changes		2,822
Total Deferred Outflows of Resources	$	37,338
LIABILITIES:		
Accounts Payable	$	95,745
Accrued Interest Payable		20,797
Accrued Wages		16,595
Customer Deposits		110,425
Noncurrent Liabilities		
Long-Term Debt Due within One Year		499,025
Long-Term Debt Due in More Than One Year		1,081,243
Accrued Compensated Absences		21,516
Net Pension Liability		183,061
Total OPEB Liability		32,072
Total Liabilities	$	2,060,479
DEFERRED INFLOWS OF RESOURCES:		
Pension Plan - Investment Differences	$	35,025
Pension Plan - Experience Differences		6,407
Pension Plan - Changes in Assumptions		18
OPEB Plan - Experience Differences		450
Unearned Revenue - Unspent Grant Funds		1,270,757
Total Deferred Inflows of Resources	$	1,312,657
NET POSITION:		
Net Investment in Capital Assets	$	8,738,431
Unrestricted		1,068,637
Total Net Position	$	9,807,068

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS

EXHIBIT A-8

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2022

		Major Proprietary Fund Water and Sewer
OPERATING REVENUES:		
Water Sales	$	1,509,476
Sewer Charges		472,732
Total Operating Revenues	$	1,982,208
OPERATING EXPENSES:		
General Administration	$	307,262
Water Distribution		1,395,607
Sewer		229,665
Depreciation and Amortization		529,812
Total Operating Expenses	$	2,462,346
Operating Income	$	(480,138)
NON-OPERATING REVENUES (EXPENSES):		
Intergovernmental Revenue	$	26,570
Miscellaneous Revenue		5,292
Loss on Disposition of Capital Assets		(176,679)
Interest Expense and Related Fees		(55,471)
Total Non-Operating Revenue (Expenses):	$	(200,288)
Loss Before Transfers	$	(680,426)
Transfers In		1,529,512
Change in Net Position	$	849,086
Total Net Position - Beginning		8,957,982
Total Net Position - Ending	$	9,807,068

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS

EXHIBIT A-9

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Major Proprietary Fund Water and Sewer
Cash Flows from Operating Activities:	
Cash Received from Customers	$ 1,944,102
Cash Payments to Employees for Services	(511,245)
Cash Payments to Other Suppliers for Goods and Services	(1,363,860)
Net Cash From Operating Activities	$ 68,997
Cash Flows from Non-Capital Financing Activities:	
Cash Received from Intergovernmental Grant	$ 663,614
Transfers from Other Funds	1,954,512
Net Cash From Non-Capital Financing Activities	$ 2,618,126
Cash Flows from Capital and Related Financing Activities:	
Principal and Interest Paid	$ (1,711,108)
Acquisition or Construction of Capital Assets	(320,188)
Net Cash From Capital and Related Financing Activities	$ (2,031,296)
Cash Flows from Investing Activities:	
Miscellaneous Rentals	$ 5,292
Net Cash From Investing Activities	$ 5,292
Increase in Cash and Cash Equivalents	$ 661,119
Cash and Cash Equivalents - Beginning of Year	1,231,926
Cash and Cash Equivalents - End of Year	$ 1,893,045
Reconciliation of Operating Gain to Net Cash Used in Operating Activities:	
Operating Gain	$ (480,138)
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities	
Depreciation and Amortization	$ 529,812
Change in Assets and Liabilities:	
(Increase) Decrease in Receivables	(41,241)
(Increase) Decrease Prepaid Expenses	10,565
(Increase) Decrease in Deferred Inflows and Outflows of Resources	19,364
Increase (Decrease) in Accounts Payable	(37,832)
Increase (Decrease) in Customer Deposits	3,135
Increase (Decrease) in Accrued Expenses	15,367
Increase (Decrease) in Net Pension Liability	47,351
Increase (Decrease) in Total OPEB Liability	2,614
Total Adjustments	$ 549,135
Net Cash from Operating Activities	$ 68,997
Non-Cash Financing Activities:	
Capital Assets Aquired through a Capital Lease	$ 112,740

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

The City of Post, Texas' (the City) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

1. Reporting Entity

   The City is a municipal corporation governed by a Council-Manager form of government. The City, incorporated in 1907, is located in the northwestern part of the state, occupies a land area of approximately 3.8 miles and serves a population of approximately 5,000. The City provides a range of services, including police and fire protection, maintenance of streets and other infrastructure, sanitation services, and recreational activities. The City also provides utilities for water and sewer.

   The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the City Council. The City Council (the Council) is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by the GASB in its Statement No. 61, *The Financial Reporting Entity.* There are no component units included within the reporting entity as defined by Statement No. 61.

2. Basis of Presentation, Basis of Accounting

   a. Basis of Presentation

      Government-Wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

      The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities.

      Program Revenues include: (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: the fund financial statements provide information about the City's funds with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund: This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The City reports the following major enterprise fund:

Water and Sewer Fund: This fund accounts for the revenues and expenses associated with providing water and sewer service to the citizens of the City.

Fund Balances

The City reports fund balances under GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Non-spendable fund balance—includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain in-tact such as the principal of an endowment.

Restricted fund balance—includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include grant awards and bond proceeds.

Committed fund balance—includes the portion of net resources upon which the City Council has imposed limitations on use. These are amounts that can be used only for the specific purposes determined by *a* formal action of the City Council. Commitments may be changed or lifted only by the Council taking the same *formal action* that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.

Assigned fund balance—includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance—includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

Fund Balance Policy

Committed Fund Balance—The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at the City's Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period (i.e. the Council may approve the calculation or formula for determining the amount to be committed).

Assigned Fund Balance—The City Council authorizes the City Manager as the City Official responsible for the assignment of fund balance to a specific purpose as approved by this fund balance policy.

Minimum Unassigned Fund Balance

The City's goal is to achieve and maintain an unassigned fund balance in the general fund equal to 16.67% of expenditures. The City considers a balance of less than 8.34% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

b. Measurement Focus, Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Revenues from local sources consist primarily of property taxes, franchise taxes, and gross receipts taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

3. Financial Statement Amounts

   a. Cash and Cash Equivalents

      For purposes of the statement of cash flows, cash on hand, cash in bank, and certificate of deposits are considered to be cash and cash equivalents.

   b. Property Taxes

      Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

      Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

   c. Prepaid Items

      Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. At September 30, 2022, the City had various contracts that created this type of financial statement amount and reported a balance of $170,497.

   d. Capital Assets

      Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

      Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Classes	Estimated Useful Lives
Infrastructure	25-100
Building and Improvements	15-30
Vehicles and Heavy Equipment	5-15
Office Furniture and Equipment	5-10

e. Receivable Balances

Receivables as of year-end for the City's individual major funds and non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
General Fund			
Customer - Sanitation	$ 80,549	$	$ 80,549
Unbilled Revenue - Sanitation	19,766		19,766
Property Taxes	30,323		30,323
Franchise Fees	79,007		79,007
Royalties	86,382		86,382
Sales Tax	103,575		103,575
Paving Liens	29,552		29,552
Due from Other Governments	47,566		47,566
Other	6,579		6,579
Debt Service Fund			
Property Taxes	17,213		17,213
Hotel/Motel Occupancy Tax			
Hotel Occupancy Taxes	29,264		29,264
Economic Development Fund			
Sales Tax	34,525		34,525
Water and Sewer Fund			
Customer - Water and Sewer		329,277	329,277
Unbilled Revenue - Water and Sewer		82,249	82,249
Other		17,615	17,615
Gross Receivables	$ 564,301	$ 429,141	$ 993,442
Less: Allowance for Uncollectibles			
General Fund	(84,077)		(84,077)
Debt Service Fund	(7,730)		(7,730)
Water and Sewer Fund		(165,914)	(165,914)
Net Total Receivables	$ 472,494	$ 263,227	$ 735,721

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Transfers and Interfund Payables and Receivables are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers From/To Other Funds consist of the following at September 30, 2022:

Transfers Out	Transfers In		Transferred
Economic Development	Water and Sewer	$	325,870
Debt Service	Water and Sewer		1,203,642
		$	1,529,512

The Economic Development Fund transferred $325,870 collected and recorded as revenues for sales taxes to the Water and Sewer Fund for payments on 2009 Refunding Bonds issued by the City of Post, Texas. The Water and Sewer Fund records the expense for the disbursement of the funds.

The Debt Service Fund transferred $52,611 to the Water and Sewer Fund for 2022 principal and interest payments on the 2009 Refunding Bonds and transferred $1,151,031 to pay off the 2014 Combination CO Bonds.

g. Compensated Absences

General leave for the City includes both vacation and sick pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid for any accrued general leave earned as set forth by personnel policy.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available financial resources are maintained separately and represents a reconciling item between the fund and government-wide presentations. Vested or accumulated general leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

h. Unbilled Revenue

Utility Revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

i. Deferred Inflows of Resources – Governmental Funds Balance Sheet

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

j. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

B. Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

1. Cash and Cash Equivalents

At September 30, 2022, the carrying amount of the City's cash and cash equivalents was $4,682,819, including $800 for cash on hand. The City had a bank balance of $4,689,282 as of September 30, 2022. The City's cash and cash equivalents at September 30, 2022 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

2. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act (the Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, 6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At year end, the City's investments were not exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name. At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City's only investments were certificates of deposit which were fully covered by pledged collateral at year end.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

C. Water Rights

The City has various investments in water rights that are being amortized over the life of the wells or related debt incurred to purchase the rights. The activity related to those assets for the year ended September 30, 2022 is below:

Type	Beginning	Amortization	Ending
Southland Well Field	$ 416,282	$	$ 416,282
WRMWD	630,143	23,177	606,966
	$ 1,046,425	$ 23,177	$ 1,023,248

During the year ended September 30, 2013, White River Municipal Water District (WRMWD) used revenue bonds and grant funds passed through by its member cities for well field rehabilitation and expansion, general plant rehabilitation, and distribution system rehabilitation. These water rights will be amortized over the life of the Revenue Bonds, which is 30 years. The water rights will be fully amortized in 2043. See the Long-Term Obligations note for the debt service requirements related to these water rights.

CITY OF POST, TEXAS

NOTES TO FINANCIAL STATEMENTS

D. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

Governmental Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	$ 2,071,873	$	$	$ 2,071,873
Construction in Progress	332,951	(296,329)		36,622
Total Capital Assets Not Being Depreciated	$ 2,404,824	$ (296,329)	$ 0	$ 2,108,495
Depreciable Assets				
Infrastructure	$ 4,007,200	$ 563,296	$ 17,963	$ 4,552,533
Buildings	697,042			697,042
Improvements Other than Buildings	493,874	327,567		821,441
Vehicles and Equipment	3,732,097	63,621	183,417	3,612,301
Total Capital Assets Being Depreciated	$ 8,930,213	$ 954,484	$ 201,380	$ 9,683,317
Less Accumulated Deprecation for:				
Infrastructure	$ 2,048,706	$ 243,426	$ 11,751	$ 2,280,381
Buildings and Improvements	340,814	32,856		373,670
Improvements Other than Buildings	306,875	61,911		368,786
Vehicles and Equipment	1,722,753	372,110	170,148	1,924,715
Total Accumulated Depreciation	$ 4,419,148	$ 710,303	$ 181,899	$ 4,947,552
Total Capital Assets Being Depreciated, Net	$ 4,511,065	$ 244,181	$ 19,481	$ 4,735,765
Governmental Activities Capital Assets, Net	$ 6,915,889	$ (52,148)	$ 19,481	$ 6,844,260

Depreciation in the Governmental Activities was not allocated to the various functions in the statement of activities.

CITY OF POST, TEXAS

NOTES TO FINANCIAL STATEMENTS

Business-Type Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	$ 11,316	$	$	$ 11,316
Construction in Progress	906,922	(591,058)		315,864
Total Capital Assets Not Being Depreciated	$ 918,238	$ (591,058)	$ 0	$ 327,180
Depreciable Assets				
Buildings and Improvements	$ 89,982	$	$	$ 89,982
Vehicles and Equipment	637,995	114,536	80,000	672,531
Water System and Equipment	10,547,746	872,235	597,109	10,822,872
Sewer System and Equipment	3,978,289	37,216		4,015,505
Total Capital Assets Being Depreciated	$ 15,254,012	$ 1,023,987	$ 677,109	$ 15,600,890
Less Accumulated Deprecation for:				
Buildings and Improvements	$ 34,107	$ 2,082	$	$ 36,189
Vehicles and Equipment	535,310	67,234	80,000	522,544
Water System and Equipment	4,185,032	333,010	420,430	4,097,612
Sewer System and Equipment	1,240,236	104,310		1,344,546
Total Accumulated Depreciation	$ 5,994,685	$ 506,636	$ 500,430	$ 6,000,891
Total Capital Assets Being Depreciated, Net	$ 9,259,327	$ 517,351	$ (176,679)	$ 9,599,999
Business-Type Activities Capital Assets, Net	$ 10,177,565	$ (73,707)	$ (176,679)	$ 9,927,179

NOTES TO FINANCIAL STATEMENTS

E. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt, landfill obligation, net pension liability, and accrued compensated absences. Changes in long-term obligations for the year ended September 30, 2022, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year	Interest Expense
Governmental Activities:						
Capital Leases	$ 1,735,346	$ 61,825	$ 160,155	$ 1,637,016	$ 178,512	$ 44,748
Compensated Absences	51,693	13,333		65,026		
Closure/Post Closure Landfill	369,782	27,593		397,375		
Net Pension Liability	407,128	113,890		521,018		
Total OPEB Liability	88,373	2,908		91,281		
Total Governmental Activities	$ 2,652,322	$ 219,549	$ 160,155	$ 2,711,716	$ 178,512	$ 44,748
Business-Type Activities:						
2009 Refunding Bonds	$ 730,000	$	$ 355,000	$ 375,000	$ 375,000	$ 23,481
WRMWD Revenue Bonds	345,441		9,318	336,123	10,165	13,030
2014 Combination CO Bonds	1,175,000		1,175,000	0		28,642
Capital Leases	841,354	112,740	84,948	869,146	113,860	21,688
Bond Issuance Premiums	27,992		27,992	0		
Compensated Absences	13,237	8,279		21,516		
Net Pension Liability	135,710	47,351		183,061		
Total OPEB Liability	29,458	2,614		32,072		
Total Business-Type Activities	$ 3,298,192	$ 170,984	$ 1,652,258	$ 1,816,918	$ 499,025	$ 86,841

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated Absences	Governmental	General
Compensated Absences	Business-Type	Proprietary
Closure and Post Closure Costs	Governmental	General
Net Pension Liability	Governmental	General
Net Pension Liability	Business-Type	Proprietary
Total OPEB Liability	Governmental	General
Total OPEB Liability	Business-Type	Proprietary

2. Debt Service Requirements

Debt service requirements on leases payable and bonds payable at September 30, 2022, are as follows:

	Governmental Activities		
Year Ending September 30,	Principal	Interest	Total
2023	$ 178,512	$ 42,971	$ 221,483
2024	183,209	38,274	221,483
2025	139,995	33,454	173,449
2026	143,697	29,751	173,448
2027	130,919	25,950	156,869
2028-2032	707,815	76,530	784,345
2033	152,869	4,001	156,870
Totals	$ 1,637,016	$ 250,931	$ 1,887,947

	Business-Type Activities		
Year Ending September 30,	Principal	Interest	Total
2023	$ 499,025	$ 44,799	$ 543,824
2024	127,741	33,474	161,215
2025	98,801	29,995	128,796
2026	101,138	27,232	128,370
2027	73,306	24,386	97,692
2028-2032	400,860	89,327	490,187
2033-2037	157,417	39,666	197,083
2038-2042	105,716	17,793	123,509
2043	16,265	708	16,973
Totals	$ 1,580,269	$ 307,380	$ 1,887,649

Details of Business-Type Activities Bonds Payable as of September 30, 2022 are listed below:

	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding
2009 Refunding Bonds	4/14/2009	6,110,000	2.50% - 4.25%	9/30/2023	375,000
WRMWD Revenue Bonds	9/18/2013	428,963	0.14% - 4.37%	6/1/2043	336,123

3. Capital Leases

The assets acquired through capital leases are as follows, and had related depreciation expense of $360,718 during the year ended September 30, 2022:

	Governmental Activities	Business-Type Activities
Leased Vehicles and Equipment	$ 1,958,835	$ 241,118
Leased Water Meters		831,434
Less: Accumulated Depreciation	(631,296)	(188,428)
Totals	$ 1,327,539	$ 884,124

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2022, as follows:

	Governmental Activities		
Year Ending September 30,	Principal	Interest	Total
2023	$ 178,512	$ 42,971	$ 221,483
2024	183,209	38,274	221,483
2025	139,995	33,454	173,449
2026	143,697	29,751	173,448
2027	130,919	25,950	156,869
2028-2032	707,815	76,530	784,345
2033	152,869	4,001	156,870
Total Minimum Rentals	$ 1,637,016	$ 250,931	$ 1,887,947

	Business-Type Activities		
Year Ending September 30,	Principal	Interest	Total
2023	$ 113,860	$ 23,010	$ 136,870
2024	116,898	19,971	136,869
2025	86,603	16,851	103,454
2026	88,940	14,513	103,453
2027	61,108	12,113	73,221
2028-2032	330,383	35,722	366,105
2033	71,354	1,867	73,221
Total Minimum Rentals	$ 869,146	$ 124,047	$ 993,193

The effective interest rates on the capital leases range between 2.591% and 2.617%. The leases mature at various times through fiscal year 2033.

F. Pension Plan

Plan Description

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at *www.tmrs.com*.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75.00% of the member's deposits and interest.

Currently the city has adopted the following provisions related to the pension plan:

	December 31, 2021
Employee Deposit Rate	7.00%
Matching Ratio (City to Employee)	2 to 1
Years Required for Vesting	5
Service Requirement Eligibility	
(Expressed as Age / Years of Service)	60/5,0/20
Updated Service Credit	50% Repeating, Transfers
Annuity Increase (to Retirees)	0% of CPI

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	16
Inactive Employees Entitled to but not Yet Receiving Benefits	14
Active Employees	24
Total Plan Employees	54

Contributions

The contribution rates for employees in TMRS are either 5.00%, 6.00%, or 7.00% of employee gross earnings, and the city matching percentages are either 100.00%, 150.00%, or 200.00%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7.00% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 10.74% and 10.76% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the calendar year ended December 31, 2021 and fiscal year ended September 30, 2022, were $146,479 and $173,825, respectively, and were in excess of the required contributions. The City approved a plan to contribute at 17.28% (including the supplemental death benefit fund rate) regardless of the required contribution rate.

Net Pension Liability

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

Actuarial Assumptions

Inflation	2.50% per year
Overall Payroll Growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Amortization Period	22 years

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.55%
Core Fixed Income	6.00%	2.00%
Non-Core Fixed Income	20.00%	5.68%
Other Public and Private Markets	12.00%	7.22%
Real Estate	12.00%	6.85%
Hedge Funds	5.00%	5.35%
Private Equity	10.00%	10.00%

Discount Rate

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

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance 12/31/2020	$ 2,593,005	$ 2,050,167	$ 542,838
Service Cost	140,983		140,983
Interest (on the Total Pension Liability)	195,679		195,679
Changes in benefit terms	343,128		343,128
Difference Between Expected and Actual Experience	(37,384)		(37,384)
Changes of assumptions			-
Contributions - Employee		68,916	(68,916)
Contributions - Employer		146,479	(146,479)
Net Investment Income		266,997	(266,997)
Benefit Payments	(215,360)	(215,360)	
Administrative Expense		(1,237)	1,237
Other		10	(10)
Balance 12/31/2021	$ 3,020,051	$ 2,315,972	$ 704,079

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

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

1% Decrease	Current Rate Assumption	1% Increase
$ 1,075,564	$ 704,079	$ 394,651

Pension Plan Fiduciary Net Position

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

Pension Expense, Deferred Outflows, and Deferred Inflows Related to Pensions

For the year ended September 30, 2022, the City recognized pension expense of $410,437 and calculated as shown below:

Total Service Cost	$	140,983
Interest on the Total Pension Liability		195,679
Changes in Benefit Terms		343,128
Employee Contributions (Reduction of Expense)		(68,916)
Projected Earnings on Plan Investments (Reduction of Expense)		(138,386)
Administrative Expense		1,237
Other Changes in Fiduciary Net Position		(10)
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities		(18,617)
Recognition of Current Year Outflow (Inflow) of Resources-Assets		(44,661)
Total Pension Expense	$	410,437

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources - Pension Plan	Plan Year		Amount	Remaining Period (Years)
Employer Contribution Deferrals	2021	$	128,103	1.000
Differences Between Projected and Actual Investment Earnings	2018		31,336	1.000
Differences Between Projected and Actual Investment Earnings	2019		(53,985)	2.000
Differences Between Projected and Actual Investment Earnings	2020		(9,176)	3.000
Differences Between Projected and Actual Investment Earnings	2021		(102,888)	4.000
Changes in Assumptions	2019		(70)	0.110
Differences Between Expected and Actual Economic Experience	2019		(860)	0.110
Differences Between Expected and Actual Economic Experience	2020		1,845	0.710
Differences Between Expected and Actual Economic Experience	2021		(25,628)	2.180
Total Deferred Outflows of Resources		$	(31,323)	

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year		Amortization of Deferred Outflows
2022	$	92,823
2023		(67,531)
2024		(30,897)
2025		(25,718)
	$	(31,323)

G. Other Postemployment Benefits (OPEB)

Plan Description:

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

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

Benefits Provided:

The plan provides a $7,500 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the SDBF. The OPEB benefit is a fixed $7,500 lump-sum benefit and no future increases are assumed in the benefit amount.

The SDBF fund does not meet the requirements of a trust under Paragraph 4b of GASBS No. 75, as the assets of the SDBF can be used to pay active SDBF benefits which are not part of the OPEB plan. The contributions for retiree SDBF coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown in the changes in the total OPEB liability.

Benefit terms are established under the TMRS Act. Participation in the retiree SDBF is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. The City's contribution rate for the retiree SDBF program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to $7,500.

Employees Covered by Benefit Terms:

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	15
Inactive Employees Entitled to but not Yet Receiving Benefits	2
Active Employees	24
Total Plan Employees	41

Total OPEB Liability:

The City's total OPEB liability of $123,353 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of Economic/Demographic Gains and Losses and Assumptions	Straight-Line Amortization over Expected Working Life
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate	1.84%
Retirees' Share of Benefit-Related Costs	$0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASBS No. 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.00% based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

Annuity Purchase Rates:

Annuity purchase rates are used to determine the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) for 2014 are based on the UP-1984 Table with an age setback of two years for retirees and an age setback of eight years for beneficiaries. Beginning in 2027, the APRs will be based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females with both male and female rates multiplied by 107.5% and projected on a fully generational basis with scale BB. For members, a unisex blend of 70% of the males table and 30% of the female table is used, while 30% of the male table and 70% of the female table is used for beneficiaries. From 2015 through 2026, the fully generational APRs will be phased into.

Experience Studies:

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2020 actuarial valuation. For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) until 2027 are based on a mortality study performed in 2013. TMRS uses the experience studies as a basis for determining assumptions, except where required to be treated different by GASB 75.

Changes in the Total OPEB Liability:

Balance as of December 31, 2020	$	117,831
Changes for the year:		
Service Cost		6,301
Interest on Total OPEB Liability		2,346
Effect of Economic/Demographic Experience		1,305
Effect of Assumptions Changes or Inputs		2,954
Benefit Payments		(7,384)
Balance as of December 31, 2021	$	123,353

Changes of assumptions or other inputs reflect a change in the discount rate from 2021 to 2022.

There were no changes of benefit terms that affected measurement during the measurement period.

Sensitivity Analysis:

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 1.84%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.84%) or 1 percentage point higher (2.84%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease in Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
Total OPEB Liability	$ 145,407	$ 123,353	$ 106,473

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2022, the City recognized OPEB expense of $13,870.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 10,852	$
Experience Differences		1,732
Contributions Made Subsequent to Measurement Date	4,651	
	$ 15,503	$ 1,732

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

	Amortization Amount
2023	$ 10,131
2024	2,580
2025	1,060
2026	
Thereafter	
	$ 13,771

H. Closure and Post Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Post Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $397,375 reported as landfill closure and post closure care liability at September 30, 2022, represents the cumulative amount reported to date based on the use of 95.79% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post closure care of $17,459 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care at September 30, 2022. Actual costs in the future may be higher due to inflation, changes in technology, or changes in regulations. The City has assigned a bank account in the amount of $291,839 to cover the landfill closure and post closure care liability at September 30, 2022.

The City has been permitted to open a second landfill when the primary landfill is filled to capacity. The estimated closure and post closure costs related the landfill are $714,152. The City has not begun using that landfill and therefore no costs have been accrued for the year ended September 30, 2022.

I. Commitments, Contingencies, and Litigation

1. Contingencies

   The City participates in grant programs which are governed by various rules and regulations of the grantor agencies**.** Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

   There is no pending litigation against the City as of September 30, 2022, that would have material effect on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF POST, TEXAS
DEFINED BENEFIT RETIREMENT PLAN

EXHIBIT B-1

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	$ 44,245	$ 54,137	$ 49,095	$ 51,393	$ 98,932	$ 104,492	$ 116,485	$ 140,983
Interest	107,999	116,636	122,660	127,454	147,861	155,814	163,824	195,679
Benefit Payments	(65,012)	(54,800)	(95,405)	(105,089)	(122,905)	(116,418)	(126,243)	(215,360)
Differences between Expected and Actual Experience	26,099	8,580	(1,638)	15,011	(12,088)	(24,320)	7,039	(37,384)
Changes in Benefit Terms					198,708			343,128
Changes in Assumptions		49,227				(1,993)		
Net Change	$ 113,331	$ 173,780	$ 74,712	$ 88,769	$ 310,508	$ 117,575	$ 161,105	$ 427,046
Beginning Balance	1,553,225	1,666,556	1,840,336	1,915,048	2,003,817	2,314,325	2,431,900	2,593,005
Ending Balance	$ 1,666,556	$ 1,840,336	$ 1,915,048	$ 2,003,817	$ 2,314,325	$ 2,431,900	$ 2,593,005	$ 3,020,051
	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position
Employer Contributions	$ 51,671	$ 71,119	$ 62,821	$ 64,721	$ 84,037	$ 116,619	$ 129,486	$ 146,479
Employee Contributions	27,190	30,725	27,154	28,238	36,506	53,390	59,086	68,916
Net Investment Income	69,220	1,907	90,488	197,229	(48,134)	240,024	140,082	266,997
Benefit Payments	(65,012)	(54,800)	(95,405)	(105,089)	(122,905)	(116,418)	(126,243)	(215,360)
Administration Expenses	(723)	(1,161)	(1,023)	(1,023)	(931)	(1,360)	(908)	(1,237)
Other	(59)	(59)	(55)	(52)	(49)	(41)	(36)	10
Net Change	$ 82,287	$ 47,731	$ 83,980	$ 184,024	$ (51,476)	$ 292,214	$ 201,467	$ 265,805
Beginning Balance	1,209,940	1,292,227	1,339,958	1,423,938	1,607,962	1,556,486	1,848,700	2,050,167
Ending Balance	$ 1,292,227	$ 1,339,958	$ 1,423,938	$ 1,607,962	$ 1,556,486	$ 1,848,700	$ 2,050,167	$ 2,315,972
Net Pension Liability	$ 374,329	$ 500,378	$ 491,110	$ 395,855	$ 757,839	$ 583,200	$ 542,838	$ 704,079
Fiduciary Net Position as a Percentage of Total Pension Liability	77.54%	72.81%	74.36%	80.24%	67.25%	76.02%	79.07%	76.69%
Covered Payroll	$ 543,804	$ 614,493	$ 543,089	$ 564,758	$ 730,122	$ 762,714	$ 844,092	$ 984,516
Net Pension Liability as a Percentage of Covered Payroll	68.84%	81.43%	90.43%	70.09%	103.80%	76.46%	64.31%	71.52%

Note: Only eight years of GASB 68 Data Available as of 12/31/2021. The remaining two years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS
DEFINED BENEFIT RETIREMENT PLAN

EXHIBIT B-2

SCHEDULE OF EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022
Actuarially Determined Contribution	$ 61,440	$ 55,863	$ 57,644	$ 72,821	$ 79,878	$ 87,218	$ 130,924	$ 143,821
Actual Contributions	75,221	64,335	62,578	77,851	105,431	124,293	141,018	173,825
Excess Contribution	$ (13,781)	$ (8,472)	$ (4,934)	$ (5,030)	$ (25,553)	$ (37,075)	$ (10,094)	$ (30,004)
Cover Payroll	$ 626,916	$ 536,341	$ 545,323	$ 677,070	$ 740,877	$ 811,007	$ 940,955	$ 1,096,336
Contributions as a Percentage of Covered Employee Payroll	12.00%	12.00%	11.48%	11.50%	14.23%	15.33%	14.99%	15.86%

Note: Only eight years of GASB 68 Data Available as of 09/30/2022. The remaining two years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

CITY OF POST, TEXAS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN
SEPTEMBER 30, 2022

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Changes in Assumptions:	There were assumption changes during the year.
Benefits Changes:	Increased repeating USC from 50% to 100%

CITY OF POST, TEXAS
SUPPLEMENTAL DEATH BENEFIT FUND

EXHIBIT B-3

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017 Total OPEB Liability	12/31/2018 Total OPEB Liability	12/31/2019 Total OPEB Liability	12/31/2020 Total OPEB Liability	12/31/2021 Total OPEB Liability
Service Cost	$ 1,525	$ 2,190	$ 2,975	$ 5,149	$ 6,301
Interest	3,038	2,941	3,332	2,955	2,346
Benefit Payments	(1,186)	(1,971)	(1,831)	(2,026)	(7,384)
Differences between Expected and Actual Experience		1,884	(739)	(5,883)	1,305
Changes in Assumptions	5,146	(4,522)	12,892	11,755	2,954
Net Change	$ 8,523	$ 522	$ 16,629	$ 11,950	$ 5,522
Beginning Balance	80,207	88,730	89,252	105,881	117,831
Ending Balance	$ 88,730	$ 89,252	$ 105,881	$ 117,831	$ 123,353
Net OPEB Liability	$ 88,730	$ 89,252	$ 105,881	$ 117,831	$ 123,353
Covered Payroll	$ 564,758	$ 730,122	$ 762,714	$ 844,092	$ 984,516
Net Pension Liability as a Percentage of Covered Payroll	15.71%	12.22%	13.88%	13.96%	12.53%

Note: Only five years of GASB 75 Data Available as of 12/31/2021. The remaining five years of data will be built on a go forward basis.

CITY OF POST, TEXAS

EXHIBIT B-4

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	(Unaudited) Original	(Unaudited) Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:				
Taxes:				
General Property Taxes	$ 685,127	$ 685,127	$ 411,853	$ (273,274)
General Sales Taxes	1,000,000	1,000,000	1,012,665	12,665
Gross Receipts Business Taxes	240,000	240,000	279,279	39,279
Intergovernmental	420,750	420,750	383,350	(37,400)
Charges for Services	491,700	491,700	504,685	12,985
Fines	200,000	200,000	176,020	(23,980)
Investment Earnings	51,500	51,500	48,623	(2,877)
Rents and Royalties	236,700	236,700	377,328	140,628
Miscellaneous	290,000	290,000	71,764	(218,236)
Total Revenues	$ 3,615,777	$ 3,615,777	$ 3,265,567	$ (350,210)
Expenditures:				
Current:				
Administration	$ 944,341	$ 944,341	$ 624,751	$ 319,590
Police Department and Court	884,157	884,157	856,133	28,024
Fire	154,350	154,350	133,677	20,673
Streets	514,259	514,259	601,447	(87,188)
Sanitation	166,142	166,142	238,565	(72,423)
Landfill	1,332,967	1,332,967	246,927	1,086,040
Cemetery	155,958	155,958	182,386	(26,428)
Parks	317,990	317,990	556,968	(238,978)
Libraries	119,913	119,913	95,618	24,295
Airport	16,200	16,200	37,505	(21,305)
Debt Service:				
Principal			160,155	(160,155)
Interest and Fiscal Charges			44,748	(44,748)
Total Expenditures	$ 4,606,277	$ 4,606,277	$ 3,778,880	$ 827,397
Deficiency of Revenues Over Expenditures	$ (990,500)	$ (990,500)	$ (513,313)	$ 477,187
Other Financing Sources:				
Transfers In	$ 981,500	$ 981,500	$	$ (981,500)
Sale of Real and Personal Property	10,000	10,000	598	(9,402)
Debt Proceeds			61,825	61,825
Total Other Financing Sources:	$ 991,500	$ 991,500	$ 62,423	$ (929,077)
Net Change in Fund Balances	$ 1,000	$ 1,000	$ (450,890)	$ (451,890)
Fund Balances - Beginning	3,318,381	3,318,381	3,318,381	
Fund Balances - Ending	$ 3,319,381	$ 3,319,381	$ 2,867,491	

CITY OF POST, TEXAS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY DATA
SEPTEMBER 30, 2022

BUDGETARY DATA

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

b. A meeting of the Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must have been given.

c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the Council.

Once a budget is approved, it can be amended only by approval of a majority of the members of the Council. As required by law, such amendments that are made before the fact, are reflected in the official minutes of the Council and are not made after fiscal year end. The legal level of control is at the function level. All budget appropriations lapse at year end.

The budget is presented on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Annual budgets were adopted for all governmental funds.

Certain functions were over budget during the year, but unassigned fund balance and debt proceeds covered the overages.

COMBINING STATEMENTS

CITY OF POST, TEXAS

EXHIBIT C-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Debt Service	Hotel/Motel Occupancy Tax	Court Technology	Court Security	Economic Development	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:						
Cash and Cash Equivalents	$ 63,022	$ 191,201	$ 34,754	$ 45,898	$	$ 334,875
Receivables, Net of Allowances	9,483	29,264			34,525	73,272
Total Assets	$ 72,505	$ 220,465	$ 34,754	$ 45,898	$ 34,525	$ 408,147
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	$ 9,483	$ 0	$ 0	$ 0	$ 0	$ 9,483
FUND BALANCES:						
Restricted for:						
Debt Service	$ 63,022	$	$	$	$	$ 63,022
Promotions and Advertising		220,465				220,465
Technology			34,754			34,754
Security				45,898		45,898
Economic Development					34,525	34,525
Total Fund Balances	$ 63,022	$ 220,465	$ 34,754	$ 45,898	$ 34,525	$ 398,664
Total Deferred Inflows of Resources and Fund Balances	$ 72,505	$ 220,465	$ 34,754	$ 45,898	$ 34,525	$ 408,147

CITY OF POST, TEXAS

EXHIBIT C-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Debt Service	Hotel/Motel Occupancy Tax	Court Technology	Court Security	Economic Development	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:						
Taxes						
General Property Taxes	$ 274,233	$	$	$	$	$ 274,233
General Sales Taxes					337,555	337,555
Motel Occupancy Taxes		95,363				95,363
Fines and Fees			4,919	5,758		10,677
Total Revenue	$ 274,233	$ 95,363	$ 4,919	$ 5,758	$ 337,555	$ 717,828
Expenditures:						
Current						
Administration	$	$ 55,430	$	$	$	$ 55,430
Police Department and Court			3,308			3,308
Total Expenditures	$ 0	$ 55,430	$ 3,308	$ 0	$ 0	$ 58,738
Excess of Revenues Over Expenditures	$ 274,233	$ 39,933	$ 1,611	$ 5,758	$ 337,555	$ 659,090
Other Financing Uses:						
Transfers Out	$ (1,203,642)	$	$	$	$ (325,870)	$ (1,529,512)
Total Other Financing Uses	$ (1,203,642)	$ 0	$ 0	$ 0	$ (325,870)	$ (1,529,512)
Net Change in Fund Balances	$ (929,409)	$ 39,933	$ 1,611	$ 5,758	$ 11,685	$ (870,422)
Fund Balances - Beginning	992,431	180,532	33,143	40,140	22,840	1,269,086
Fund Balances - Ending	$ 63,022	$ 220,465	$ 34,754	$ 45,898	$ 34,525	$ 398,664

OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION

Bolinger, Segars, Gilbert & Moss, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
8215 Nashville Avenue
Lubbock, Texas 79423-1954

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

City Council
City of Post, Texas
Post, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Post, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City of Post, Texas' basic financial statements and have issued our report thereon dated December 12, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Post, Texas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Post, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Post, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Post, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

December 12, 2022

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APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _________

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

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

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

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