

**WELLS NORTH PUBLIC IMPROVEMENT DISTRICT
CITY OF CELINA, TEXAS**

**AUDITED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023, and 2022**

CUSIP NUMBERS:

Major Improvement Area

15114CAV6
15114CAW4
15114CAX2

Neighborhood Improvement Area #1

15114CAS3
15114CAT1
15114CAU8

Neighborhood Improvement Area #2

15114CCG7
15114CCH5
15114CCJ1
15114CCK8

Neighborhood Improvement Area #3-4

15114CDG6
15114CDH4
15114CDJ0
15114CDK7

Neighborhood Improvement Area #5

15114CDT8
15114CDU5
15114CDV3
15114CDW1
15114CDX9
15114CDY7
15114CDZ4

**WELLS NORTH PUBLIC IMPROVEMENT
DISTRICT
ANNUAL FINANCIAL STATEMENTS
SEPTEMBER 30, 2023, AND 2022**

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Independent Auditor's Report

The Honorable Mayor and Members of the City Council
Wells North Public Improvement District
Celina, Texas

Opinion

We have audited the financial statements of the Wells North Public Improvement District (PID), as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the PID's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the PID, as of September 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 PID's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PID'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 PID's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Forvis Mazars, LLP

**Dallas, Texas
July 8, 2024**

II. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the financial performance of the Wells North Public Improvement District (the "PID") provides an overall review of the PID's financial activities for the years ended September 30, 2023, and 2022. The intent of this discussion and analysis is to look at the PID's financial performance as a whole. Readers should also review the basic financial statements and notes to the financial statements to enhance their understanding of the PID's financial performance.

Financial Highlights

1. The PID was created pursuant to the PID Act and Resolution No. 2016-12R, which was passed and approved by the City Council of the City of Celina (the "City Council") on February 9, 2016, to finance certain infrastructure improvement projects provided for the benefit of the property in the PID.
2. The PID has issued five series of bonds ("PID Bonds"):
 - a. The \$3,235,000 City of Celina, Texas, Special Assessment Revenue Bonds Series 2016 Wells North Major Improvement Area Project (the "MIA Bonds") were issued on April 19, 2016.
 - b. The \$6,425,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2016 Wells North Public Improvement Area #1 Project (the "NIA #1" Bonds) were issued on April 19, 2016.
 - c. The \$1,900,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2019 Wells North Public Improvement Area #2 Project (the "NIA #2 Bonds") were issued on December 23, 2019.
 - d. The \$3,060,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 Wells North Public Improvement Areas #3-4 Project (the "NIA #3-4 Bonds") were issued on November 10, 2020.
 - e. The \$1,860,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 Wells North Public Improvement Area #5 Project (the "NIA #5 Bonds") were issued on June 30, 2021.
3. The PID's debt will be paid through the collection of special assessments imposed on the chargeable properties benefiting from the public improvements.
4. Net position at September 30, 2023 and 2022 totaled (\$12,952,357) and (\$13,525,489), respectively.

5. The PID had no capital assets at September 30, 2023 and 2022. Public improvements valued at \$14,311,081 for all phases were accepted by the City of Celina (the “City”) in fiscal years 2017-2021.
6. Annual special assessments of \$1,253,329 were imposed on the property owners for the 2022-2023 assessment year to be collected in fiscal year 2023. Special assessments of \$1,218,358 were imposed for the 2021-2022 assessment year to be collected in fiscal year 2022. The assessments are remitted to the PID monthly as they are received by the Collin County Tax Assessor Collector (the “CCTAC”). As of September 30, 2023, \$196 was delinquent for fiscal year 2023.

Overview of the Financial Statements

This annual report consists of two parts – (i) Management’s Discussion and Analysis and (ii) the basic financial statements consisting of a *Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows*, and related footnotes. The Statement of Net Position represents the financial position of the PID and provides information about the activities of the PID, including all short-term and long-term financial resources and obligations. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net total financial position. The Statement of Cash Flows reflects how the PID finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

Comparative Financial Statements

Summary Statements of Net Position:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets:			
Current and other assets	\$ 2,005,498	\$ 1,765,237	\$ 1,717,632
Total assets	<u>2,005,498</u>	<u>1,765,237</u>	<u>1,717,632</u>
Liabilities:			
Current liabilities	488,779	447,006	467,251
Long-term debt	<u>14,469,076</u>	<u>14,843,720</u>	<u>15,369,365</u>
Total Liabilities	<u>14,957,855</u>	<u>15,290,726</u>	<u>15,836,616</u>
Net Position:			
Restricted	1,995,994	1,752,523	1,709,907
Unrestricted	<u>(14,948,351)</u>	<u>(15,278,012)</u>	<u>(15,828,891)</u>
Total Net Position	<u>\$ (12,952,357)</u>	<u>\$ (13,525,489)</u>	<u>\$ (14,118,984)</u>

PID Bonds proceeds were used to finance the construction of improvements and administrative costs of the PID. The fiscal year 2021 results were restated to reflect the acceptance of \$1,499,293 in NIA #5 capital assets by the City.

Summary Statements of Revenues, Expenses, and Changes in Net Position:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenues	\$ 1,282,714	\$ 1,406,250	\$ 977,605
Operating Expenses	<u>151,984</u>	<u>131,779</u>	<u>117,141</u>
Operating Income	1,130,730	1,274,471	860,464
Non-operating Revenues/(Expenses)	(557,598)	(680,976)	(1,152,658)
Donated capital assets	<u>-</u>	<u>-</u>	<u>(3,941,613)</u>
Change in Net Position	<u>\$ 573,132</u>	<u>\$ 593,495</u>	<u>\$ (4,233,807)</u>

The negative change in net position in fiscal year 2021 is the result of the acceptance by the City of a total of \$3,941,613 of NIA #3-4 and NIA #5 capital assets. There were no donated capital assets in fiscal years 2022 or 2023.

Capital Assets

There were no capital assets as of September 30, 2023, or 2022. All capital assets completed and accepted were reported as donated capital assets in the financial statements.

	<u>Completion and Acceptance of Public Improvements</u>	<u>Amount</u>
MIA	2017	\$ 2,281,559
NIA #1	2017	6,523,042
NIA #2	2020	1,564,867
NIA #3-4	2021	2,442,320
NIA #5	2021	1,499,293
	<u>Total</u>	<u>\$ 14,311,081</u>

Long-Term Debt

The \$3,235,000 MIA Bonds were issued on April 19, 2016, in three series bearing interest at 4.625%, 5.250% and 5.500% per annum with final maturities of September 1, 2026, September 1, 2036, and September 1, 2046, respectively.

The \$6,425,000 NIA #1 Bonds were issued on April 19, 2016, in three series bearing interest at 4.375%, 5.000%, and 5.250% per annum with final maturities of September 1, 2026, September 1, 2036, and September 1, 2046, respectively.

The \$1,900,000 NIA #2 Bonds were issued on December 23, 2019, in four series bearing interest at 3.000%, 3.250%, 3.750%, and 3.875% per annum with final maturities of September 1, 2025, September 1, 2030, September 1, 2040, and September 1, 2049, respectively. The NIA #2 Bonds were issued to replace the NIA #2 Reimbursement Agreement entered into on March 29, 2016, to finance, refinance, provide, or otherwise assist in the acquisition, construction, and maintenance of the public improvements provided for the benefit of the property in NIA #2.

The \$3,060,000 NIA #3-4 Bonds were issued on November 10, 2020, in four series bearing interest at 2.50%, 3.25%, 3.75%, and 4.00% per annum with final maturities of September 1, 2025, September 1, 2030, September 1, 2040, and September 1, 2050, respectively. The NIA #3-4 Bonds were issued to replace the NIA #3 Reimbursement Agreement entered into on March 29, 2016, to finance, refinance, provide, or otherwise assist in the acquisition, construction, and maintenance of the public improvements provided for the benefit of the property in NIA #3, and to finance NIA #4.

The \$1,860,000 NIA #5 Bonds were issued on June 30, 2021, at an original issue discount of \$10,724, in seven series composed of five serial bonds and two term bonds as shown below.

	<u>Principal Amount</u>	<u>Rate</u>	<u>Final Maturity</u>
Serial Bond 2022	\$ 55,000	2.000%	September 1, 2022
Serial Bond 2023	\$ 40,000	2.000%	September 1, 2023
Serial Bond 2024	\$ 40,000	2.000%	September 1, 2024
Serial Bond 2025	\$ 40,000	2.125%	September 1, 2025
Serial Bond 2026	\$ 40,000	2.250%	September 1, 2026
Series 2037 Term Bond	\$ 510,000	3.000%	September 1, 2037
Series 2051 Term Bond	\$ 1,135,000	3.250%	September 1, 2051

The NIA #5 Bonds were issued to replace the NIA #5 Reimbursement Agreement entered into on March 29, 2016, to finance, refinance, provide, or otherwise assist in the acquisition, construction, and maintenance of the public improvements provided for the benefit of the property in NIA #5.

The PID Bonds issuances represent 100% of the PID’s long-term debt balance, and are subject to mandatory sinking fund, optional, and extraordinary optional redemption requirements as specified in the MIA Indenture, the NIA #1 Indenture, the NIA #2 Indenture, the NIA #3-4 Indenture, and the NIA #5 Indenture (collectively, the “Indentures”).

The PID’s debt will be paid through the collection of special assessments imposed on the chargeable properties benefiting from the public improvements.

The proceeds from the PID Bonds are being used to finance construction of certain public infrastructure improvements within the PID, to fund a debt service reserve fund, to pay costs of issuing the PID Bonds, and to pay the initial administrative expenses of the PID. In addition, proceeds from the NIA #3-4 Bonds are being used to pay a portion of the interest on the NIA #3-4 Bonds during and after the period of acquisition and construction.

Mandatory sinking fund payments began on September 1, 2018, for the NIA #1 Bonds, September 1, 2019, for the MIA Bonds, September 1, 2020, for the NIA #2 Bonds, September 1, 2021, for the NIA #3-4 Bonds and September 1, 2022, for the NIA #5 Bonds from special assessment revenues received by the PID after the payment of administrative expenses.

Special Assessments

Annual assessments are to be imposed and collected on all properties within the PID benefiting from the public improvements to pay debt service and operating costs of the PID. The annual assessments are remitted to the PID monthly as they are received by the CCTAC on behalf of the City. Annual assessments were billed to the property owners as follows:

<u>Special Assessments</u>	<u>2023</u>	<u>2022</u>
MIA Bonds	\$ 274,785	\$ 259,061
NIA #1 Bonds	474,679	465,653
NIA #2 Bonds	137,798	135,422
NIA #3-4 Bonds	235,463	227,688
NIA #5 Bonds	129,386	130,534
<u>Total</u>	<u>\$ 1,252,111</u>	<u>\$ 1,218,358</u>

As of September 30, 2023, \$196 in annual special assessments was delinquent for fiscal year 2023.

Economic Factors and Future Outlook

Presently, the PID is not aware of any significant changes in conditions that would have a significant effect on the administrative expenses in the near future.

Contacting District's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the PID’s finances and to reflect its accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the PID’s administrator, MuniCap, Inc., at 600 E. John Carpenter Freeway, Suite 150, Irving, TX 75062.

III. FINANCIAL STATEMENTS

**WELLS NORTH PUBLIC IMPROVEMENT DISTRICT
STATEMENTS OF NET POSITION
As of September 30,**

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Restricted cash and cash equivalents	\$ 1,995,994	\$ 1,752,523
Accrued interest receivable	8,817	3,477
Other current receivables	-	1,258
Prepaid expenses	687	7,979
Total Current Assets	<u>2,005,498</u>	<u>1,765,237</u>
Total Assets	<u>2,005,498</u>	<u>1,765,237</u>
Liabilities		
Current Liabilities		
Accounts payable	73,037	39,296
Accrued interest payable	55,742	56,800
Other current payables	-	15,910
Current portion of long-term debt	360,000	335,000
Total Current Liabilities	<u>488,779</u>	<u>447,006</u>
Noncurrent Liabilities		
Long-term debt	14,479,000	14,854,000
Discount on long-term debt, net	(9,924)	(10,280)
Total Noncurrent Liabilities	<u>14,469,076</u>	<u>14,843,720</u>
Total Liabilities	<u>14,957,855</u>	<u>15,290,726</u>
Net Position		
Restricted	1,995,994	1,752,523
Unrestricted	<u>(14,948,351)</u>	<u>(15,278,012)</u>
Net Position	<u>\$ (12,952,357)</u>	<u>\$ (13,525,489)</u>

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

WELLS NORTH PUBLIC IMPROVEMENT DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ending September 30,

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Annual assessment revenues	\$ 1,260,216	\$ 1,213,688
Prepaid assessment revenues	22,498	192,562
Total Operating Revenues	<u>1,282,714</u>	<u>1,406,250</u>
Operating Expenses		
Administrative fees	137,116	127,688
Accounting and audit fees	14,868	4,091
Total Operating Expenses	<u>151,984</u>	<u>131,779</u>
Operating Income	<u>1,130,730</u>	<u>1,274,471</u>
Non-Operating Revenues/(Expenses)		
Interest and dividend income	113,215	15,830
Penalties and interest income	8,255	1,186
Developer distribution	-	(836)
Interest expense	(679,068)	(697,156)
Total Non-Operating Revenues/(Expenses)	<u>(557,598)</u>	<u>(680,976)</u>
Change in Net Position	573,132	593,495
Net Position, Beginning of Year	<u>(13,525,489)</u>	<u>(14,118,984)</u>
Net Position, End of Year	<u>\$ (12,952,357)</u>	<u>\$ (13,525,489)</u>

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

WELLS NORTH PUBLIC IMPROVEMENT DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ending September 30,

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Cash receipts from property owners	\$ 1,268,063	\$ 1,414,809
Cash payments for administrative fees	(96,084)	(135,957)
Cash payments for accounting and audit fees	(14,868)	(5,000)
Net Cash Provided by Operating Activities	<u>1,157,111</u>	<u>1,273,852</u>
Cash Flows from Investing Activities		
Interest and dividends received on investments	<u>107,875</u>	<u>12,388</u>
Net Cash Provided by Investing Activities	<u>107,875</u>	<u>12,388</u>
Cash Flows from Capital and Related Financing Activities		
Penalties and interest on delinquent assessments	8,255	1,186
Principal paid on bonds	(350,000)	(536,000)
Developer distribution	-	(836)
Interest paid on bonds	(679,770)	(707,974)
Net Cash Used in Capital and Related Financing Activities	<u>(1,021,515)</u>	<u>(1,243,624)</u>
Net increase in Cash and Cash Equivalents	243,471	42,616
Cash and Cash Equivalents, Beginning of Year	<u>1,752,523</u>	<u>1,709,907</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,995,994</u>	<u>\$ 1,752,523</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 1,130,730	\$ 1,274,471
Adjustments		
Decrease (increase) in prepaid expenses	7,292	(291)
Increase (decrease) in accounts payable	33,741	(8,887)
Decrease (increase) in other receivables	1,258	(1,258)
(Decrease) increase in other payables	(15,910)	9,817
Net Cash Provided by Operating Activities	<u>\$ 1,157,111</u>	<u>\$ 1,273,852</u>

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

IV. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1—FINANCIAL REPORTING ENTITY

The Wells North Public Improvement District (the “PID”) was created pursuant to the PID Act and Resolution No. 2016-12R, which was passed and approved by the City Council of the City of Celina (the “City Council”) on February 9, 2016, to finance certain infrastructure improvement projects provided for the benefit of the property in the PID.

The \$3,235,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2016 Wells North Major Improvement Area Project (the “MIA Bonds”) were issued pursuant to the PID Act and an ordinance adopted by the City Council on March 29, 2016, and an Indenture of Trust (the “MIA Indenture”) dated as of April 1, 2016 by and between the City of Celina (the “City”) and U.S. Bank, National Association (the “Trustee”). The MIA Bonds were issued to finance certain infrastructure improvement projects located within the Major Improvement Area of the PID (the “MIA”). According to the City, 485 certificates of occupancy have been issued as of September 30, 2023, representing approximately 97.78 percent of the total single family residential MIA certificates of occupancy projected to be issued.

The \$6,425,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2016 Wells North Public Improvement Area #1 Project (the “NIA #1 Bonds”) were issued pursuant to the PID Act, and an ordinance adopted by the City Council on March 29, 2016, and an Indenture of Trust (the “NIA #1 Indenture”) dated as of April 1, 2016, by and between the City and the Trustee. The NIA #1 Bonds were issued to finance certain infrastructure improvement projects located within Neighborhood Improvement Area #1 of the PID (the “NIA #1”). According to the City as of September 30, 2023, 325 certificates of occupancy have been issued, representing approximately 96.44 percent of the total NIA #1 certificates of occupancy projected to be issued.

On March 29, 2016, the City and Celina Development North, LLC (the “Developer”) entered into a blanket Reimbursement Agreement to finance, refinance, provide, or otherwise assist in the acquisition, construction, and maintenance of the public improvements provided for the benefit of the property in the PID.

The \$1,900,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2019 Wells North Public Improvement Area #2 Project (the “NIA #2 Bonds”) were issued by the City pursuant to the PID Act and an ordinance adopted by the City Council on December 23, 2019, and an Indenture of Trust (the “NIA #2 Indenture”) dated as of December 1, 2019, by and between the City and the Trustee. The NIA #2 Bonds were issued to replace the Reimbursement Agreement for this area, and to finance certain infrastructure improvement projects within Neighborhood Improvement Area #2 of the PID (the “NIA #2”). According to the City, 174 certificates of occupancy have been issued for properties within NIA #2 of the PID as of September 30, 2023, representing 100 percent of the certificates of occupancy anticipated to be issued within NIA #2 of the PID.

The \$3,060,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 Wells North Public Improvement Areas #3-4 Project (the “NIA #3-4 Bonds”) were issued November 10, 2020, pursuant to the PID Act and an ordinance adopted by the City Council on October 13, 2020, and an Indenture of Trust (the “NIA #3-4 Indenture”) dated as of October 1, 2020 by and between the City and the Trustee. The NIA #3-4 Bonds were issued to replace the Reimbursement Agreement for these areas, and to finance certain infrastructure improvement projects located within Neighborhood Improvement Areas #3-4 of the PID (the “NIA #3-4”). According to the City, fifty-three certificates of occupancy have been issued for NIA #3 as of September 30, 2023, representing approximately 88.33 percent of the total NIA #3 certificates of occupancy projected to be issued. Furthermore, 150 certificates of occupancy have been issued for NIA #4 as of September 30, 2023, representing approximately 98.68 percent of the total NIA #4 certificates of occupancy projected to be issued.

The \$1,860,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 Wells North Public Improvement Area #5 Project (the “NIA #5 Bonds”) were issued on June 30, 2021, pursuant to the PID Act and an ordinance adopted by the City Council on June 8, 2021, and an Indenture of Trust (the “NIA #5 Indenture”) dated as of June 1, 2021, by and between the City and the Trustee. The NIA #5 Bonds were issued to replace the Reimbursement Agreement for this area, and to finance certain infrastructure improvement projects located within Neighborhood Improvement Area #5 of the PID (the “NIA #5”). According to the City, 101 homes have been sold to end-users representing approximately 91.82 percent of the total units expected to be developed within NIA #5.

The City is located in north central Collin and Denton Counties, forty miles north of Dallas and fifteen miles northwest of the City of McKinney. The PID consists of approximately 244 acres and is projected to consist of 863 lots and the infrastructure necessary to provide roadways, drainage, and utilities to the PID.

The MIA Bonds, NIA #1 Bonds, NIA#2 Bonds, NIA #3-4 Bonds and NIA#5 Bonds (collectively, the “PID Bonds”) are intended to be paid primarily from annual special assessments imposed and collected by the Collin County Tax Assessor Collector (the “CCTAC”) on behalf of the City against the properties benefiting from the public improvements of the PID. If an annual special assessment is not paid in full, the PID Act authorizes the City to collect interest and collections costs on the outstanding annual installment of special assessments. The City covenanted in the MIA Indenture, the NIA #1 Indenture, the NIA #2 Indenture, the NIA #3-4 Indenture, and the NIA #5 Indenture (collectively, the “Indentures”), that it will take and pursue all actions permissible under applicable laws to cause the annual installments of special assessments to be collected and any resulting liens enforced.

The PID’s management believes these financial statements present all activities for which the PID is financially accountable.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to accounting principles generally accepted in the United States of America (GAAP) for local governmental units as prescribed in the statements

issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

A. Basis of Presentation

The PID's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows. The PID uses enterprise fund accounting to maintain its financial records during the fiscal year. Enterprise fund accounting focuses on the determination of operating income, financial position and changes in net position, and cash flows.

B. Measurement Focus and Basis of Accounting

The PID's financial activity is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the PID are included within the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The Statement of Cash Flows reflects how the PID finances and meets its cash flow needs.

Net Position is segregated into Net Investment in Capital Assets, Restricted, and Unrestricted components, if applicable.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements, and measurement focus relates to the timing of the measurements made. The PID uses the accrual basis of accounting and the flow of economic resources measurement focus for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Cash and Cash Equivalents

Cash received by the PID is deposited with a financial institution or invested. Deposits and investments having an original maturity of three months or less at the time they are purchased are presented in the financial statements as Cash and Cash Equivalents.

D. Capital Assets

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets will be recorded at their acquisition value on the date that they will be donated. All infrastructure assets are capitalized. The PID does not depreciate capital assets as all assets will be donated to the City upon completion.

E. Net Position

Net position represents the difference between assets and liabilities. Net Position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the PID or through external restrictions imposed by creditors, grantors, or laws or regulations

of other governments. The PID first applies restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

F. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the PID. For the PID, these revenues are special assessments. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the PID. All revenues and expenses not meeting this definition are reported as non-operating.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. Income Taxes

The PID is a governmental entity, and therefore, is exempt from all federal and state income taxes.

I. Future Accounting Standards

GASB has issued new standards that will become effective in future fiscal years. The PID will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

NOTE 3—CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following as of September 30, 2023, and 2022:

	<u>2023</u>	<u>2022</u>
Money market funds	\$ 832,303	\$ 685,168
Local government investment cooperatives	<u>1,163,691</u>	<u>1,067,355</u>
Total	<u>\$1,995,994</u>	<u>\$1,752,523</u>

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the PID's deposits may not be returned. There is no custodial credit risk to these accounts as the entire bank balance is required to be invested in accordance with the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended (the "Investment Act") and as authorized by the City's official investment policy.

B. Interest Rate Risk

Interest rate risk is the risk that an interest rate change could adversely affect an investment's fair value. As a means of limiting exposure to fair value losses arising from rising interest rates, the Indentures require the investment of moneys in all funds in accordance with the Investment Act and the City's official investment policy.

C. Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The Indentures specify that investment in time deposits or certificates of deposit must be secured in the manner required by law for public funds, or be invested in direct obligations of the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Investment Act, provided that all such deposits and investments shall be made in such manner that the money required to be expended from any fund will be available at the proper time. For purposes of maximizing investment returns, to the extent permitted by law, money in such funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank. Investments at September 30, 2023 and 2022 were in compliance with the Indentures.

All funds held in the accounts created by the Indentures which are on deposit with any bank will be continuously secured in the manner required by the Indentures and the Investment Act.

D. Concentration of Credit Risk

Concentration of credit risk can arise by failing to adequately diversify investments. The Investment Act establishes limitations on portfolio composition to control concentration of credit risk.

E. Recurring Measurements

The PID's investments in money market accounts and local government investment cooperatives are measured at the net asset value per share (or its equivalent) practical expedient. Accordingly, these investments have not been classified in the fair value hierarchy.

NOTE 4—CAPITAL ASSETS

There were no capital assets as of September 30, 2023, or 2022. All capital assets completed and accepted were reported as donated capital assets in the financial statements. The public improvements included stormwater drainage, wastewater, water, and road improvements.

	Completion and Acceptance of Public Improvements	Amount
MIA	2017	\$ 2,281,559
NIA #1	2017	6,523,042
NIA #2	2020	1,564,867
NIA #3-4	2021	2,442,320
NIA #5	2021	1,499,293
	Total	\$ 14,311,081

NOTE 5—LONG-TERM OBLIGATIONS

Bonds payable consisted of the following at September 30, 2023 and 2022:

	Balance			Balance	
	October 1, 2022	Increase	Decrease	September 30, 2023	Due in one year
2023					
Bonds Payable MIA	\$ 2,985,000	\$ -	\$ (70,000)	\$ 2,915,000	\$ 70,000
Bonds Payable NIA #1	5,755,000	-	(120,000)	5,635,000	145,000
Bonds Payable NIA #2	1,735,000	-	(55,000)	1,680,000	40,000
Bonds Payable NIA #3-4	2,927,000	-	(65,000)	2,862,000	65,000
Bonds Payable NIA #5	1,787,000	-	(40,000)	1,747,000	40,000
Bond Discount NIA #5	(10,280)	-	356	(9,924)	-
Total Bonds Payable	\$ 15,178,720	\$ -	\$ (349,644)	\$ 14,829,076	\$ 360,000

	Balance			Balance	
	October 1, 2021	Increase	Decrease	September 30, 2022	Due in one year
2022					
Bonds Payable MIA	\$ 3,050,000	\$ -	\$ (65,000)	\$ 2,985,000	\$ 70,000
Bonds Payable NIA #1	5,975,000	-	(220,000)	5,755,000	120,000
Bonds Payable NIA #2	1,810,000	-	(75,000)	1,735,000	40,000
Bonds Payable NIA #3-4	3,030,000	-	(103,000)	2,927,000	65,000
Bonds Payable NIA #5	1,860,000	-	(73,000)	1,787,000	40,000
Bond Discount NIA #5	(10,635)	-	355	(10,280)	-
Total Bonds Payable	\$ 15,714,365	\$ -	\$ (535,645)	\$ 15,178,720	\$ 335,000

A. Special Assessment Revenue Bonds, Series 2016

On April 19, 2016, the PID issued \$3,325,000 in Special Assessment Revenue Bonds, Series 2016 MIA Bonds and \$6,425,000 in Special Assessment Revenue Bonds, Series 2016 NIA #1 Bonds (collectively, the “2016 Bonds”) to finance construction of certain public infrastructure improvements within the respective areas, to pay a portion of the interest on the 2016 Bonds during and after the period of acquisition and construction, to fund debt service reserve funds, to pay costs of issuing the 2016 Bonds, and to pay the initial administrative expenses of the 2016 Bonds.

The 2016 Bonds are intended to be paid primarily from annual special assessments imposed by the City and collected by the CCTAC on behalf of the City against the properties benefiting from the public improvements. If an annual special assessment is not paid in full, the PID Act authorizes the City to collect interest and collections costs on the outstanding annual installment of the special assessment. The City covenanted in the MIA Indenture and NIA #1 Indenture, (collectively, the “2016 Indentures”) that it will take and pursue all actions permissible under applicable laws to cause the assessment to be collected and any resulting liens enforced.

The 2016 Bonds are special obligations of the City payable solely from and secured by a pledge of special assessments. They are not payable from funds raised or to be raised from taxation.

The MIA Bonds were issued in three series as follows:

	<u>Principal Amount</u>	<u>Rate</u>	<u>Final Maturity</u>
Term 2026	\$ 540,000	4.625%	September 1, 2026
Term 2036	\$ 1,015,000	5.250%	September 1, 2036
Term 2046	\$ 1,680,000	5.500%	September 1, 2046

The NIA #1 Bonds were issued in three series as follows:

	<u>Principal Amount</u>	<u>Rate</u>	<u>Final Maturity</u>
Term 2026	\$ 1,150,000	4.375%	September 1, 2026
Term 2036	\$ 1,975,000	5.000%	September 1, 2036
Term 2046	\$ 3,300,000	5.250%	September 1, 2046

The 2016 Bonds described above represent 59% of the PID’s original long-term debt balance, and are subject to mandatory sinking fund, optional, and extraordinary optional redemption requirements as specified in the 2016 Indentures. Principal payments on the 2016 Bonds are due each September 1 and began on September 1, 2018, for the NIA #1 Bonds and September 1, 2019, for the MIA Bonds according to the mandatory sinking fund redemption schedule.

Interest on the 2016 Bonds is payable according to the terms specified by the 2016 Indentures semiannually on March 1 and September 1 of each year commencing on September 1, 2016. Interest on the 2016 Bonds is calculated based on a 360-day year comprised of twelve 30-day months. MIA Bonds’ interest payments totaled \$159,100 and \$162,106 for the years ended September 30, 2023, and 2022, respectively. NIA #1 Bonds’ interest payments totaled \$292,406 and \$301,383 for the years ended September 30, 2023, and 2022, respectively.

1. Optional Redemption

The City reserves the right and option to redeem the 2016 Bonds before their scheduled maturity dates, in whole or in part, on any interest payment date on or after September 1, 2022, through August 31, 2025, at the redemption price applicable to the date of redemption, as set forth in the following schedule, plus accrued interest to date of redemption.

Redemption Period	Redemption Price
September 1, 2022, through February 28, 2023	103.00%
March 1, 2023, through August 31, 2023	102.50%
September 1, 2023, through February 29, 2024	102.00%
March 1, 2024, through August 31, 2024	101.50%
September 1, 2024, through February 28, 2025	101.00%
March 1, 2025, through August 31, 2025	100.50%

The 2016 Bonds are subject to redemption, in whole, or in part, prior to stated maturity, at the option of the City, on any date on or after September 1, 2025, at the redemption price of 100% of the principal amount plus accrued interest to the date of redemption.

2. Extraordinary Optional Redemption

The 2016 Bonds are subject to extraordinary optional redemption by the City prior to their scheduled maturity on the first day of any month after the required notice of redemption, at a redemption price equal to 100% of the principal amount of the bonds, or portions thereof, to be redeemed, plus accrued interest to the redemption date from amounts on deposit in the Redemption Fund as a result of special assessment prepayments before the due date, unexpended proceeds transferred from the Project Fund to the Redemption Fund, foreclosure proceeds, and transfers to the Redemption Fund from the Delinquency Reserve Account and the Prepayment Reserve Account. There were no extraordinary optional redemptions in the fiscal year ended September 30, 2023. There was an extraordinary optional redemption in fiscal year 2022 of \$100,000 of NIA #1 Bonds due to prepaid assessments received.

B. Blanket Reimbursement Agreement 2016

A blanket Reimbursement Agreement was entered into on March 29, 2016, to finance, refinance, provide, or otherwise assist in the acquisition, construction, and maintenance of the public improvements provided for the benefit of the property in the PID. There are currently no notes outstanding related to the Reimbursement Agreement.

C. Special Assessment Revenue Bonds, Series 2019

On December 23, 2019, the PID issued \$1,900,000 in Special Assessment Revenue Bonds, Series 2019 NIA #2 Bonds to finance construction of certain public infrastructure improvements, to fund a debt service reserve fund, to pay costs of issuing the NIA #2 Bonds, and to pay the initial administrative expenses of the NIA #2 Bonds. The NIA #2 Bonds were issued to replace the NIA #2 Reimbursement Agreement entered into on March 29, 2016.

The NIA #2 Bonds are intended to be paid primarily from annual special assessments imposed by the City and collected by the CCTAC on behalf of the City against the properties benefiting from the public improvements. If an annual special assessment is not paid in full, the PID Act authorizes the City to collect interest and collections costs on the outstanding annual installment of special assessment. The City covenanted in the NIA #2 Indenture that it will take and pursue all actions

permissible under applicable laws to cause the assessment to be collected and any resulting liens enforced.

The NIA #2 Bonds are limited obligations of the City payable solely from and secured by a pledge of special assessments. They are not payable from funds raised or to be raised from taxation.

The NIA #2 Bonds were issued in four series as follows:

	<u>Principal Amount</u>	<u>Rate</u>	<u>Final Maturity</u>
Term 2025	\$ 245,000	3.000%	September 1, 2025
Term 2030	\$ 225,000	3.250%	September 1, 2030
Term 2040	\$ 550,000	3.750%	September 1, 2040
Term 2049	\$ 880,000	3.875%	September 1, 2049

The NIA #2 Bonds described above represent 12% of the PID's original long-term debt balance, and are subject to mandatory sinking fund, optional, and extraordinary optional redemption requirements as specified in the Limited Offering Memorandum. Principal payments on the NIA #2 Bonds are due each September 1 and began on September 1, 2020, according to the mandatory sinking fund redemption schedule.

Interest on the NIA #2 Bonds is payable according to the terms specified by the NIA #2 Indenture semiannually on March 1 and September 1 of each year and began on September 1, 2020. Interest on the Bonds is calculated based on a 360-day year comprised of twelve 30-day months. NIA #2 Bonds' interest payments totaled \$63,994 and \$66,289 for the years ended September 30, 2023, and 2022, respectively.

1. Optional Redemption

The City reserves the right and option to redeem the NIA #2 Bonds maturing on or after September 1, 2040, before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 2030, at a price of par, plus accrued interest to the redemption date.

2. Extraordinary Optional Redemption

The NIA #2 Bonds are subject to extraordinary optional redemption by the City prior to their scheduled maturity on the first day of any month after the required notice of redemption, at a redemption price equal to 100% of the principal amount of the bonds, or portions thereof, to be redeemed, plus accrued interest to the redemption date from amounts on deposit in the Redemption Fund as a result of special assessment prepayments before the due date, unexpended proceeds transferred from the Project Fund to the Redemption Fund, foreclosure proceeds, and transfers to the Redemption Fund from the Delinquency Reserve Account and the Prepayment Reserve Account. There were extraordinary optional redemptions of \$15,000 and \$35,000 in fiscal years 2023 and 2022 respectively, due to prepaid assessments received.

D. Special Assessment Revenue Bonds, Series 2020

On November 10, 2020, the PID issued \$3,060,000 in Special Assessment Revenue Bonds, Series 2020 NIA #3-4 Bonds to finance construction of certain public infrastructure improvements, to pay a portion of the interest on the NIA #3-4 Bonds during and after the period of acquisition and construction, to fund a debt service reserve fund, to pay costs of issuing the NIA #3-4 Bonds, and to pay the initial administrative expenses of the NIA #3-4 Bonds. The monies were also used to fully reimburse the Developer for the unpaid balance of the NIA #3 Reimbursement Agreement.

The NIA #3-4 Bonds are intended to be paid primarily from annual special assessments imposed by the City and collected by the CCTAC on behalf of the City against the properties benefiting from the public improvements. If an annual special assessment is not paid in full, the PID Act authorizes the City to collect interest and collections costs on the outstanding annual installment of special assessment. The City covenanted in the NIA #3-4 Indenture that it will take and pursue all actions permissible under applicable laws to cause the assessment to be collected and any resulting liens enforced.

The NIA #3-4 Bonds are limited obligations of the City payable solely from and secured by a pledge of special assessments. They are not payable from funds raised or to be raised from taxation.

The NIA #3-4 Bonds were issued in four series as follows:

	<u>Principal Amount</u>	<u>Rate</u>	<u>Final Maturity</u>
Term 2025	\$ 285,000	2.50%	September 1, 2025
Term 2030	\$ 360,000	3.25%	September 1, 2030
Term 2040	\$ 855,000	3.75%	September 1, 2040
Term 2050	\$ 1,560,000	4.00%	September 1, 2050

The NIA #3-4 Bonds described above represent 18% of the PID's original long-term debt balance, and are subject to mandatory sinking fund, optional, and extraordinary optional redemption requirements as specified in the Limited Offering Memorandum. Principal payments on the NIA #3-4 Bonds are due each September 1 and began on September 1, 2021, according to the mandatory sinking fund redemption schedule.

Interest on the NIA #3-4 Bonds is payable according to the terms specified by the NIA #3-4 Indenture semiannually on March 1 and September 1 of each year and began on March 1, 2021. Interest on the Bonds is calculated based on a 360-day year comprised of twelve 30-day months. NIA #3-4 Bonds' interest payments totaled \$109,318 and \$112,108 for the years ended September 30, 2023, and 2022 respectively.

1. Optional Redemption

The City reserves the right and option to redeem the NIA #3-4 Bonds maturing on or after September 1, 2040, before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 2030, at the redemption price.

2. Extraordinary Optional Redemption

The NIA #3-4 Bonds are subject to extraordinary optional redemption by the City prior to their scheduled maturity on the first day of any month, at the redemption price of such bonds, or portions thereof, to be redeemed, plus accrued interest to the redemption date from amounts on deposit in the Redemption Fund as a result of special assessment prepayments before the due date or any other transfers to the Redemption Fund under the terms of the NIA #3-4 Indenture. There were no extraordinary optional redemptions in the fiscal year ending September 30, 2023. There was an extraordinary optional redemption of \$43,000 in fiscal year 2022 due to prepaid assessments received.

E. Special Assessment Revenue Bonds, Series 2021

On June 30, 2021, the PID issued \$1,860,000 in Special Assessment Revenue Bonds, Series 2021 NIA #5 Bonds to finance construction of certain public infrastructure improvements, to fund a debt service reserve fund, to pay costs of issuing the NIA #5 Bonds, and to pay the initial administrative expenses of the NIA #5 Bonds. The NIA #5 Bonds were issued to replace the NIA #5 Reimbursement Agreement entered into on March 29, 2016.

The NIA #5 Bonds are intended to be paid primarily from annual special assessments imposed by the City and collected by the CCTAC on behalf of the City against the properties benefiting from the public improvements. If an annual special assessment is not paid in full, the PID Act authorizes the City to collect interest and collections costs on the outstanding annual installment of special assessment. The City covenanted in the NIA #5 Indenture that it will take and pursue all actions permissible under applicable laws to cause the assessment to be collected and any resulting liens enforced.

The NIA #5 Bonds are limited obligations of the City payable solely from and secured by a pledge of special assessments. They are not payable from funds raised or to be raised from taxation.

The NIA #5 Bonds were issued at an original issue discount of \$10,724, which is being amortized using the straight-line method over the life of the bonds. They were issued in seven series composed of five serial bonds and two term bonds as shown below:

	<u>Principal Amount</u>	<u>Rate</u>	<u>Final Maturity</u>
Serial Bond 2022	\$ 55,000	2.000%	September 1, 2022
Serial Bond 2023	\$ 40,000	2.000%	September 1, 2023
Serial Bond 2024	\$ 40,000	2.000%	September 1, 2024
Serial Bond 2025	\$ 40,000	2.125%	September 1, 2025
Serial Bond 2026	\$ 40,000	2.250%	September 1, 2026
Series 2037 Term Bond	\$ 510,000	3.000%	September 1, 2037
Series 2051 Term Bond	\$ 1,135,000	3.250%	September 1, 2051

The NIA #5 Bonds described above represent 11% of the PID's original long-term debt balance, and are subject to mandatory sinking fund, optional, and extraordinary optional redemption requirements as specified in the Limited Offering Memorandum. Principal payments on the NIA

#5 Bonds are due each September 1 and began on September 1, 2022, according to the mandatory sinking fund redemption schedule.

Interest on the NIA #5 Bonds is payable according to the terms specified by the NIA #5 Indenture semiannually on March 1 and September 1 of each year commencing on March 1, 2022. Interest on the Bonds is calculated based on a 360-day year comprised of twelve 30-day months. NIA #5 Bonds' interest payments totaled \$54,953 and \$66,088 for the years ended September 30, 2023, and 2022, respectively.

1. Optional Redemption

The City reserves the right and option to redeem the NIA #5 Bonds maturing on or after September 1, 2037, before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 2028, at the redemption price.

2. Extraordinary Optional Redemption

The NIA #5 Bonds are subject to extraordinary optional redemption by the City prior to their scheduled maturity on the first day of any month, at the redemption price of such bonds, or portions thereof, to be redeemed, plus accrued interest to the redemption date from amounts on deposit in the Redemption Fund as a result of special assessment prepayments before the due date or any other transfers to the Redemption Fund under the terms of the NIA #5 Indenture. There were no extraordinary optional redemptions in the fiscal year ending September 30, 2023. There was an extraordinary optional redemption of \$18,000 in fiscal year ending September 30, 2022, from prepaid assessments received.

F. Mandatory Sinking Fund Redemption

The PID Bonds are required to be redeemed each September 1 in the years and in the amounts set forth below:

For year ending September 30:	MIA Bonds		NIA #1 Bonds		NIA #2 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 70,000	\$ 155,863	\$ 145,000	\$ 287,156	\$ 40,000	\$ 62,363
2025	75,000	152,625	145,000	280,813	40,000	61,163
2026	75,000	149,156	145,000	274,469	45,000	59,963
2027	80,000	145,688	150,000	268,125	45,000	58,500
2028	85,000	141,488	175,000	260,625	45,000	57,038
2029-2033	490,000	635,513	940,000	1,168,375	235,000	262,500
2034-2038	630,000	493,175	1,200,000	910,013	280,000	215,875
2039-2043	810,000	303,325	1,550,000	564,375	300,000	162,381
2044-2048	600,000	61,325	1,185,000	127,050	510,000	95,519
2049-2050	-	-	-	-	140,000	5,425
Total	<u>\$ 2,915,000</u>	<u>\$ 2,238,158</u>	<u>\$ 5,635,000</u>	<u>\$ 4,141,001</u>	<u>\$ 1,680,000</u>	<u>\$ 1,040,727</u>

For year ending September 30:	NIA #3-4 Bonds		NIA #5 Bonds		Total Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 65,000	\$ 107,693	\$ 40,000	\$ 54,153	\$ 360,000	\$ 667,228
2025	65,000	106,068	40,000	53,353	365,000	654,022
2026	70,000	104,443	40,000	52,503	375,000	640,534
2027	70,000	102,168	40,000	51,603	385,000	626,084
2028	70,000	99,893	40,000	50,403	415,000	609,447
2029-2033	385,000	462,400	230,000	232,513	2,280,000	2,761,301
2034-2038	430,000	388,900	250,000	196,513	2,790,000	2,204,476
2039-2043	495,000	302,088	280,000	155,675	3,435,000	1,487,844
2044-2048	775,000	193,200	413,000	106,633	3,483,000	583,727
2049-2050	437,000	25,560	374,000	24,473	951,000	55,458
Total	\$ 2,862,000	\$ 1,892,413	\$ 1,747,000	\$ 977,822	\$ 14,839,000	\$ 10,290,121

NOTE 6—REVENUES

Annual special assessments are to be imposed and collected on all properties within the PID benefiting from the public improvements (excepting those for which the assessment lien has been prepaid) to pay debt service and operating costs of the PID. The annual special assessments are remitted to the PID monthly as they are received by the CCTAC. The amount billed, generally, is equal to: (i) annual debt service and administrative expenses, less (ii) other amounts available for the payment of such debt service and expense. In addition, the annual payment includes a 0.20% additional interest rate for the prepayment reserve and a 0.30% additional interest rate for the delinquency reserve as described in the Indentures. Annual installments of special assessments are payable to the CCTAC no later than February 1 of each year.

Annual special assessments totaling \$1,253,329 were billed for the 2022-2023 assessment year to be paid in fiscal year 2023. Annual special assessments totaling \$1,218,358 were billed for the 2021-2022 assessment year to be paid in fiscal year 2022. As of September 30, 2023, \$196 in annual installments of special assessments due in fiscal year 2023 were delinquent.

<u>Special Assessments</u>	<u>2023</u>	<u>2022</u>
MIA Bonds	\$ 274,785	\$ 259,061
NIA #1 Bonds	474,679	465,653
NIA #2 Bonds	137,798	135,422
NIA #3-4 Bonds	235,463	227,688
NIA #5 Bonds	129,386	130,534
Total	\$ 1,252,111	\$ 1,218,358

NOTE 7— ARBITRAGE

When applicable, arbitrage calculations are performed on the PID's funds to determine any arbitrage rebate or yield restriction liability. No liabilities for arbitrage rebate or yield restriction were identified in the fiscal years ending September 30, 2023, and 2022.

NOTE 8—SUBSEQUENT EVENTS

As of March 1, 2024, \$138 of 2022-23 annual assessments are delinquent.

Annual special assessments of \$1,211,725 were billed to the property owners for tax year 2023-2024 to be collected in fiscal year 2023. As of March 1, 2024, assessments of \$1,191,753 had been collected and remitted to the PID.