SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT
CITY OF CELINA, TEXAS

AUDITED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024 AND 2023

CUSIP NUMBERS:

Neighborhood Improvement Area #1 Refunding

15114CGR9	15114CGX6
15114CGS7	15114CGY4
15114CGT5	15114CGZ1
15114CGU2	15114CHA5
15114CGV0	15114CHB3
15114CGW8	15114CHC1

Major Improvement Area Project Refunding

15114CHR8	15114CHW7
15114CHS6	15114CHX5
15114CHT4	15114CHY3
15114CHU1	15114CHZ0
15114CHV9	15114CJA3

Neighborhood Improvement Areas #2-3

15114CCE2
15114CCF9

Neighborhood Improvement Area #4

15114CDB7

Neighborhood Improvement Area #5

15114CES9
15114CET7
15114CEU4
15114CEV2

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT
FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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Independent Auditor's Report

The Honorable Mayor and Members of the City Council
Sutton Fields II Public Improvement District
Celina, Texas

Opinion

We have audited the financial statements of the Sutton Fields II Public Improvement District (PID) as of and for the years ended September 30, 2024 and 2023 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, 2024 and 2023, 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 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.

Forvis Mazars, LLP

Dallas, Texas
November 4, 2025

II. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the financial performance of the Sutton Fields II Public Improvement District (the "PID") provides an overall review of the PID's financial activities for the years ended September 30, 2024, and 2023. 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. 2015-51R, which was passed and approved by the City Council of the City of Celina (the "City Council") on October 13, 2015, to finance certain infrastructure improvement projects provided for the benefit of the property in the PID.

2. The City has issued on behalf of the PID seven sets of bonds (the "Bonds"):

   a. The $11,560,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2015 Sutton Fields II Neighborhood Improvement Area #1 Project (the "NIA #1 Bonds") were issued on December 9, 2015. These bonds were refunded on August 30, 2024, from the proceeds of the NIA# 1 Refunding Bonds.

   b. The $16,825,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2015 Sutton Fields II Neighborhood Improvement Areas #2-5 Project (the "NIA #2-5 Bonds") were issued on December 9, 2015. These bonds were refunded on August 30, 2024, from the proceeds of the MIA Refunding Bonds.

   c. The $6,355,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2019 Sutton Fields II Neighborhood Improvement Areas #2-3 Project (the "NIA #2-3 Bonds") were issued on October 3, 2019.

   d. The $4,000,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 Sutton Fields II Neighborhood Improvement Area #4 Project (the "NIA #4 Bonds") were issued on September 29, 2020.

   e. The $20,784,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2022 Sutton Fields II Neighborhood Improvement Area #5 Project (the "NIA #5 Bonds") were issued on January 12, 2022.

   f. The $9,412,000 City of Celina, Texas, Special Assessment Revenue Refunding Bonds, Series 2024 Sutton Fields II Neighborhood Improvement Area #1 Project (the "NIA #1 Refunding Bonds") were issued on August 30, 2024.

g. The $13,563,000 City of Celina, Texas, Special Assessment Revenue Refunding Bonds, Series 2024 Sutton Fields II Neighborhood Major Improvement Area Project (the "MIA Refunding Bonds") were issued on August 30, 2024.

3. The PID's debt will be paid through the collection of special assessments imposed on the chargeable properties benefiting from the public improvements, as well as through a portion of the tax increment reinvestment zone (the "TIRZ") contributions collected by the Denton County Tax Office (the "DCTO") from each parcel of assessed property that pays City taxes in a given year.

4. Net position at September 30, 2024 and 2023 totaled ($50,289,944) and ($30,294,343) respectively.

5. There were no capital assets at September 30, 2024, due to the completion and donation of the NIA #5B Improvements during fiscal year 2024. Capital assets totaled $19,891,894 at September 30, 2023, due to the issuance of the NIA #5 Bonds. The authorized improvements funded with the NIA #1 Bonds, the NIA #2-5 Bonds, the NIA #2-3 Bonds, and the NIA #4 Bonds were completed and accepted by the City and reported as "donated capital assets" in previous fiscal years.

6. Annual assessments of $4,163,856 were imposed on the property owners for the 2023-2024 assessment year. The annual installments are remitted to the PID monthly as they are received by the DCTO. As of September 30, 2024, $4,748 in 2023-2024 annual assessments levy was delinquent.

7. Annual assessments of $4,392,863 were imposed on the property owners for the 2022-2023 assessment year. The annual installments are remitted to the PID monthly as they are received by the DCTO. As of September 30, 2024, all assessments have been received and remitted to the PID.

8. Annual assessments of $3,312,263 were imposed on the property owners for the 2024-2025 assessment year. The annual installments are remitted to the PID monthly as they are received by the DCTO. As of September 30, 2025, the DCTO has collected $3,309,388 for the 2024-2025 tax year.

9. TIRZ contribution payments of $309,861 and $195,480 were received from the City for the 2024 and 2023 fiscal years, respectively.

10. Assessment prepayments collected from property owners in the 2024 and 2023 fiscal years totaled $18,060 and $39,820, respectively.

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, deferred outflow of resources, 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:

	2024	2023	2022
Assets:			
Current and other assets	$ 4,914,623	$ 9,042,228	$ 20,228,892
Capital assets	-	19,891,984	7,706,178
Deferred outflow of resources	492,075	-	-
Total Assets and deferred outflow of resources	5,406,698	28,934,212	27,935,070
Liabilities:			
Current liabilities	1,362,789	2,989,947	2,996,158
Long-term debt	54,333,853	56,238,608	63,976,113
Total Liabilities	55,696,642	59,228,555	66,972,271
Net Position			
Net investment in capital assets	-	983,009	(7,157,516)
Restricted	4,893,519	5,194,919	4,648,768
Unrestricted	(55,183,463)	(36,472,271)	(36,528,453)
Total Net Position	$ (50,289,944)	$ (30,294,343)	$ (39,037,201)

Bond proceeds were used to finance the construction of improvements and administrative costs of the PID. The negative net position is due primarily to the donation of completed assets to the City and the increase in long-term debt.

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

	2024	2023	2022
Operating Revenues	$ 4,488,489	$ 4,631,226	$ 3,581,709
Operating Expenses	193,491	183,971	139,871
Operating Income	4,294,998	4,447,255	3,441,838
Non-operating Revenues/(Expenses)	(4,927,506)	(2,594,079)	(4,489,112)
Donated Capital Assets	(19,891,984)	-	(6,062,600)
Developer's Contribution	528,891	6,889,682	900,711
Change in Net Position	$ (19,995,601)	$ 8,742,858	$ (6,209,163)

Net position decreased in fiscal year 2024 primarily due to the completion and donation of the NIA #5B improvements.

Capital Assets

As of September 30, 2024, there were no capital assets due to the completion and donation of the NIA #5B improvements totaling $19,891,894 in fiscal year 2024. Authorized improvements for the NIA #5A Bonds consisting of public paving and storm drain improvements of $6,062,600 were completed and accepted by the City in fiscal year 2022 and have been reported as donated capital assets. The authorized improvements funded by the NIA #1 Bonds, the NIA #2-5 Bonds, NIA #2-3 Bonds and the NIA #4 Bonds were completed and accepted by the City and reported as donated capital assets in prior financial statements.

	Completion and Acceptance of Public Improvements	Amount
NIA #1	2018	$ 12,387,113
NIA #2-5	2017	11,239,509
NIA #2-3	2020	4,821,318
NIA #4	2021	2,948,889
NIA #5A	2022	6,062,600
NIA #5B	2024	19,891,984
Total		**$ 57,351,413**

Long-Term Debt

The $11,560,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2015 Sutton Fields II Neighborhood Improvement Area #1 Project were issued on December 9, 2015 bearing interest at 7.25% with final maturity of September 1, 2045. They were refunded on August 30, 2024 and replaced by the $9,412,000 NIA #1 Refunding Bonds bearing interest at 5% per annum with a final maturity of September 1, 2045.

The $16,825,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2015 Sutton Fields II Neighborhood Improvement Area #2-5 Project were issued on December 9, 2015 bearing interest at 8.25% with final maturity of September 1, 2040. They were refunded on August 30, 2024 and replaced by the $13,563,000 MIA Refunding Bonds bearing interest at 5% per annum with a final maturity of September 1, 2040.

The $6,355,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2019 Sutton Fields II Neighborhood Improvement Area #2-3 Project were issued on October 3, 2019, in two series bearing interest at 4.125% and 4.250% per annum with final maturities of September 1, 2039 and September 1, 2049, respectively. The NIA #2-3 Bonds were issued to replace the NIA #2 Reimbursement Agreement and the NIA #3 Reimbursement Agreement entered into on August 28, 2018 and June 11, 2019, respectively, 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 and NIA #3.

The $4,000,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 Sutton Fields II Neighborhood Improvement Area #4 Project were issued on September 29, 2020, bearing interest at 4.125% with final maturity of September 1, 2050.

The $20,784,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2022 Sutton Fields II Neighborhood Improvement Area #5 Project were issued on January 12, 2022, in four series bearing interest from 2.875% to 4.000% per annum with final maturities from September 1, 2027, to September 1, 2051.

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 NIA #2-3 Indenture, the NIA #4 Indenture, NIA #5 Indenture, NIA #1 Refunding Indenture, and MIA Refunding Indenture (together 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, as well as through a portion of the TIRZ contribution collected by the DCTO from each parcel of assessed property that pays City taxes in a given year.

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, to pay for a portion of the interest on the Bonds during and after the period of acquisition and construction of the public improvements, and to pay the initial administrative expenses of the PID.

Mandatory sinking fund payments began on September 1, 2021, for the NIA #2-3 Bonds, September 1, 2022, for the NIA #4 Bonds, September 1, 2023, for the NIA #5 Bonds, and will begin on September 1, 2025, for the NIA #1 Refunding Bonds and the MIA Refunding Bonds, from annual assessment revenues and TIRZ contributions received by the PID after the payment of administrative expenses.

Revenues

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 DCTO. Annual assessments were billed as follows:

Annual Installments	2024	2023	2022
NIA #1	$ 860,616	$ 915,277	$ 960,045
NIA #2-5 (MIA)	1,606,760	1,721,745	1,754,600
NIA #2-3	352,319	357,386	365,119
NIA #4	219,107	225,469	225,000
NIA #5	1,125,054	1,172,986	-
Total	**$ 4,163,856**	**$ 4,392,863**	**$ 3,304,764**

As of September 30, 2024, $4,748 of the 2024 annual assessments levy is delinquent.

TIRZ contributions are collected by the DCTO from each parcel of assessed property that pays City taxes in a given year. Total TIRZ contributions for fiscal years 2024 to 2022 were as follows:

TIRZ Contributions	2024	2023	2022
NIA #1	$ 167,917	$ 129,873	$ 95,389
NIA #2-5	141,944	65,608	33,588
Total	**$ 309,861**	**$ 195,480**	**$ 128,977**

Assessment prepayments collected from property owners in the 2024 and 2023 fiscal years totaled $18,060 and $39,820, respectively.

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 Authority'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 the PID's 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

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT
STATEMENTS OF NET POSITION
As of September 30,

	2024	2023
Assets		
Current Assets		
Restricted cash and cash equivalents	$ 4,893,519	$ 9,001,537
Accrued interest receivable	20,416	40,003
Prepaid expenses	688	688
Total Current Assets	4,914,623	9,042,228
Noncurrent Assets		
Capital assets	-	19,891,984
Total Noncurrent Assets	-	19,891,984
Deferred Outflow of Resources		
Deferred premium paid on refunding	492,075	-
Total Assets and Deferred Outflow of Resources	5,406,698	28,934,212
Liabilities		
Current Liabilities		
Accounts payable	113,129	81,606
Accrued liabilities	-	1,801,708
Accrued interest payable	196,660	267,633
Current portion of long-term debt	1,053,000	839,000
Total Current Liabilities	1,362,789	2,989,947
Noncurrent Liabilities		
Long-term debt	52,594,000	55,989,054
Premium/(discount) on long-term debt, net	1,739,853	249,554
Total Noncurrent Liabilities	54,333,853	56,238,608
Total Liabilities	55,696,642	59,228,555
Net Position		
Net investment in capital assets	-	983,009
Restricted	4,893,519	5,194,919
Unrestricted	(55,183,463)	(36,472,271)
Net Position	$ (50,289,944)	$ (30,294,343)

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

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ending September 30,

	2024	2023
Operating Revenues		
Annual assessment revenues	$ 4,160,568	$ 4,395,926
Prepayment revenues	18,060	39,820
TIRZ contributions	309,861	195,480
Total Operating Revenues	4,488,489	4,631,226
Operating Expenses		
Administrative fees	177,553	174,103
Legal fees	5,000	-
Accounting and audit fees	10,938	9,868
Total Operating Expenses	193,491	183,971
Operating Income	4,294,998	4,447,255
Non-Operating Revenues/(Expenses)		
Interest and dividend income	529,406	651,718
Bond issuance costs	(2,345,252)	-
Interest expense	(3,117,944)	(3,251,168)
Penalties and interest revenue	6,284	5,371
Total Non-Operating Revenues/(Expenses)	(4,927,506)	(2,594,079)
Donated Capital Assets	(19,891,984)	-
Developer's Contribution	528,891	6,889,682
Change in Net Position	(19,995,601)	8,742,858
Net Position, Beginning of Year	(30,294,343)	(39,037,201)
Net Position, End of Year	$ (50,289,944)	$ (30,294,343)

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

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ending September 30,

	2024	2023
Cash Flows from Operating Activities		
Cash receipts from property owners	$ 4,488,489	$ 4,627,699
Cash payments for administrative fees	(151,029)	(132,634)
Cash payments for accounting and audit fees	(10,938)	(8,816)
Net Cash Provided by Operating Activities	4,326,522	4,486,249
Cash Flows from Investing Activities		
Interest and dividends received on investments	548,993	652,261
Net Cash Provided by Investing Activities	548,993	652,261
Cash Flows from Capital and Related Financing Activities		
Proceeds from bond issuance	24,489,086	-
Acquisition and construction of capital assets	(1,801,708)	(12,277,570)
Penalties and interest on delinquent assessments	6,284	5,371
Principal paid on bonds	(1,398,400)	(788,000)
Developer's contribution	(3,163)	-
Interest paid on bonds	(3,210,380)	(3,264,433)
Bond issuance costs paid	(2,345,252)	-
Redemption of bonds	(24,720,000)	-
Net Cash Used in Capital and Related Financing Activities	(8,983,533)	(16,324,632)
Change in Cash and Cash Equivalents	(4,108,018)	(11,186,122)
Cash and Cash Equivalents, Beginning of Year	9,001,537	20,187,659
Cash and Cash Equivalents, End of Year	$ 4,893,519	$ 9,001,537
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 4,294,998	$ 4,447,255
Adjustments		
Increase in accounts payable	31,524	38,994
Net Cash Provided by Operating Activities	$ 4,326,522	$ 4,486,249
Supplemental Information		
Donated capital assets	$ 19,891,984	$ -
Construction in progress in accrued liabilities	$ -	$ (1,801,708)

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 Sutton Fields II Public Improvement District (the "PID") was created pursuant to the PID Act and Resolution No. 2015-51R, which was passed and approved by the City Council of the City of Celina (the "City Council") on October 13, 2015 to finance certain infrastructure improvement projects provided for the benefit of the property in the PID.

The $11,560,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2015 Sutton Fields II Neighborhood Improvement Area #1 Project (the "NIA #1 Bonds") were issued on December 9, 2015, pursuant to the PID Act and an ordinance adopted by the City Council on November 10, 2015 and an Indenture of Trust (the "NIA #1 Indenture") dated as of December 1, 2015 by and between the City of Celina (the "City") and U.S. Bank, National Association (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"). NIA #1 consists of approximately 130 acres out of the approximate 623-acre PID and contains 515 residential units. The $9,412,000 City of Celina, Texas, Special Assessment Revenue Refunding Bonds, Series 2024 ("NIA #1 Refunding Bonds") were issued on August 30, 2024, pursuant to the PID Act and an ordinance adapted by City Council on August 13, 2024 and an indenture of Trust (the "NIA #1 Refunding Indenture") dated as of August 1, 2024. The NIA #1 Refunding Bonds were issued for the purpose of refunding the NIA #1 Bonds.

The $16,825,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2015 Sutton Fields II Neighborhood Improvement Area #2-5 Project (the "NIA #2-5 Bonds") were issued on December 9, 2015, pursuant to the PID Act and an ordinance adopted by the City Council on November 10, 2015 and an Indenture of Trust (the "NIA #2-5 Indenture") dated as of December 1, 2015 by and between the City and the Trustee. The NIA #2-5 Bonds were issued to finance certain infrastructure improvement projects located within the Neighborhood Improvement Area #2-5 of the PID (the "NIA #2-5"). NIA #2-5 consists of approximately 493 acres out of the total 623-acre PID and is anticipated to include 1,835 residential units. The $13,563,000 City of Celina, Texas, Special Assessment Revenue Refunding Bonds, Series 2024 ("MIA Refunding Bonds") were issued on August 30, 2024, pursuant to the PID Act and an ordinance adapted by City Council on August 13, 2024 and an indenture of Trust (the "MIA Refunding Indenture") dated as of August 1, 2024. The MIA Refunding Bonds were issued for the purpose of refunding the NIA #2-5 Bonds.

The $6,355,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2019 Sutton Fields II Neighborhood Improvement Area #2-3 Project (the "NIA #2-3 Bonds") were issued on October 13, 2019, pursuant to the PID Act and an ordinance adopted by the City Council on September 12, 2019, and an Indenture of Trust (the "NIA #2-3 Indenture") dated as of September 1, 2019, by and between the City and the Trustee. The NIA #2-3 Bonds were issued to replace the NIA #2 Reimbursement Agreement and the NIA #3 Reimbursement Agreement ("NIA #2-3 RA") executed on November 29, 2015, 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 Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3.

The Neighborhood Improvement Area #2-3 of the PID (the "NIA #2-3") consists of approximately 122.8 acres within the PID and is a subset of NIA #2-5's 493 acres which are a portion of the total 623-acre development.

The $4,000,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 Sutton Fields II Neighborhood Improvement Area #4 Project (the "NIA #4 Bonds") were issued on September 29, 2020, pursuant to the PID Act and an ordinance adopted by the City Council on July 14, 2020, and an Indenture of Trust (the "NIA #4 Indenture") dated as of September 1, 2020 by and between the City and the Trustee. The NIA #4 Bonds were issued to finance certain infrastructure improvement projects located within the Neighborhood Improvement Area #4 of the PID (the "NIA #4"). NIA #4 consists of approximately 77 acres within the PID and is a subset of NIA #2-5's 493 acres which are a portion of the total 623-acre development. NIA #4 is anticipated to include 305 residential units.

The $20,784,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2022 Sutton Fields II Neighborhood Improvement Area #5 Project (the "NIA #5 Bonds") were issued on January 12, 2022, pursuant to the PID Act and an ordinance adopted by the City Council on December 14, 2021, and an Indenture of Trust (the "NIA #5 Indenture") dated as of January 1, 2022, by and between the City and the Trustee. The NIA #5 Bonds were issued to finance certain infrastructure improvement projects located within the Neighborhood Improvement Area #5 of the PID (the "NIA #5"). NIA #5 consists of approximately 264 acres within the PID and is a subset of NIA #2-5's 493 acres which are a portion of the total 623-acre development. NIA #5 is anticipated to include 1,000 residential units.

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 land in the PID is being developed by Celina CADG Sutton Fields, LLC (the "Developer"). The PID consists of approximately 623 acres and is projected to consist of 2,350 lots and the infrastructure necessary to provide roadways, drainage, and utilities to the PID.

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

In addition, tax increment reinvestment zone (the "TIRZ") contributions will be collected by the Denton County Tax Office (the "DCTO") from each parcel of assessed property that pays City taxes, which will be used to reduce annual assessments charged to property owners to pay NIA #1 Refunding Bonds and MIA Refunding Bonds.

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 within is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflow of resources, 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/acquisition.

E. Net Position

Net position represents the difference between assets, deferred outflow of resources, 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 TIRZ contributions and special assessments levied by the City annually. 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 is exempt from all federal and state income taxes.

I. New Accounting Standards

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective in fiscal year 2024 and had no impact on the PID.

J. 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, 2024, and 2023:

	2024	2023
Money market funds	$ 4,893,519	$ 9,001,537
Total cash and cash equivalents	$ 4,893,519	$ 9,001,537

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 Indenture requires 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, 2024 and 2023 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 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

The PID's capital asset activity for the years ended September 30, 2024, and 2023 was as follows:

2024	Balance October 1, 2023	Additions	Donations	Balance September 30, 2024
NIA #5				
Construction in progress	$ 18,234,016	$ -	$ (18,234,016)	-
Developer improvement	1,657,968	-	(1,657,968)	-
Total Capital Assets	$ 19,891,984	$ -	$ (19,891,984)	$ -

2023	Balance October 1, 2022	Additions	Donations	Balance September 30, 2023
NIA #5				
Construction in progress	$ 6,486,269	$ 11,747,747	$ -	$ 18,234,016
Developer improvement	1,219,909	438,059	-	1,657,968
Total Capital Assets	$ 7,706,178	$ 12,185,806	$ -	$ 19,891,984

There were no capital assets as of September 30, 2024 due to the completion and donation of public improvements for NIA #5B in fiscal year 2024. These are reported as "donated capital assets" in the financial statements. As of September 30, 2023, capital assets totaled $19,891,984 and consisted of road, water, sanitary sewer, storm drainage, landscaping, and other soft and miscellaneous costs for construction in progress in NIA #5B. The NIA #5B improvements were completed and accepted by the City on November 8, 2023. Public improvements for the NIA #1, NIA #2-5, NIA #2-3, NIA #4, and NIA #5A Bonds were completed and accepted by the City in prior fiscal years as shown below:

	Completion and Acceptance of Public Improvements	Amount
NIA #1	2018	$ 12,387,113
NIA #2-5	2017	11,239,509
NIA #2-3	2020	4,821,318
NIA #4	2021	2,948,889
NIA #5A	2022	6,062,600
NIA #5B	2024	19,891,984
Total		**$ 57,351,413**

NOTE 5—LONG-TERM OBLIGATIONS

Long-term debt consisted of the following at September 30, 2024, and 2023:

2024	Balance October 1, 2023	Increase	Decrease	Balance September 30, 2024	Due in one year
NIA #1 Bonds	$ 10,345,000	$ -	$(10,345,000)	$ -	$ -
NIA #1 Refunding	-	9,412,000	-	9,412,000	277,000
NIA #1 Refunding Bond Premium	-	577,139	(5,229)	571,910	-
NIA #2-5 Bonds	15,085,000	-	(15,085,000)	-	-
NIA #2-5 Refunding	-	13,563,000	-	13,563,000	579,000
NIA #2-5 Refunding Bond Premium	-	936,947	(9,734)	927,213	-
NIA #2-3 Bonds	6,255,000	-	(20,000)	6,235,000	20,000
NIA #2-3 Bond Discount	(43,331)	-	1,666	(41,665)	-
NIA #4 Bonds	3,990,000	-	(5,000)	3,985,000	5,000
NIA #5 Bonds	20,621,000	-	(169,000)	20,452,000	172,000
NIA #5 Bond Premium	292,885	-	(10,490)	282,395	-
Developer Escrow Deposit	532,053	-	(532,053)	-	-
Total Bonds Payable	**$ 57,077,607**	**$ 24,489,086**	**$(26,179,840)**	**$ 55,386,853**	**$ 1,053,000**

2023	Balance October 1, 2022	Increase	Decrease	Balance September 30, 2023	Due in one year
NIA #1 Bonds	$ 10,540,000	$ -	$ (195,000)	$ 10,345,000	$ 210,000
NIA #2-5 Bonds	15,490,000	-	(405,000)	15,085,000	435,000
NIA #2-3 Bonds	6,275,000	-	(20,000)	6,255,000	20,000
NIA #2-3 Bond Discount	(44,998)	-	1,667	(43,331)	-
NIA #4 Bonds	3,995,000	-	(5,000)	3,990,000	5,000
NIA #5 Bonds	20,784,000	-	(163,000)	20,621,000	169,000
NIA #5 Bond Premium	303,376	-	(10,491)	292,885	-
Developer Escrow Deposit	7,421,735	-	(6,889,682)	532,053	-
Total Bonds Payable	**$ 64,764,113**	**$ -**	**$ (7,686,506)**	**$ 57,077,607**	**$ 839,000**

A. Special Assessment Revenue Bonds, Series 2015

On December 9, 2015, the City issued on behalf of the PID $11,560,000 in Special Assessment Revenue Bonds, Series 2015 NIA #1 Bonds and $16,825,000 in Special Assessment Revenue Bonds, Series 2015 NIA #2-5 Bonds, (collectively, the "2015 Bonds") to finance construction of certain public infrastructure improvements within the respective areas, to pay a portion of the interest on the 2015 Bonds during and after the period of acquisition and construction, to fund a debt service reserve fund, to pay costs of issuing the 2015 Bonds, and to pay the initial administrative expenses of the 2015 Bonds. These bonds were refunded on August 30, 2024. Please see note 5E for more information.

The 2015 Bonds were intended to be paid primarily from annual installments of assessments imposed and collected by the City against the properties benefiting from the public improvements. If an assessment is not paid in full, the PID Act authorizes the City to collect interest and collections costs on the outstanding assessment. The City covenanted in the NIA #1 Indenture and the NIA #2-5 Indenture that it will take and pursue all actions permissible under applicable laws to cause the assessments to be collected and any resulting liens enforced.

The 2015 Bonds were special obligations of the City payable solely from and secured by a pledge of assessments. They are not payable from funds raised or to be raised from taxation.

In addition, TIRZ contributions were collected by the DCTO from each parcel of assessed property that pays City taxes, which will be used to pay the PID Bonds.

The 2015 Bonds were issued as follows:

	Par Value	Rate	Final Maturity
NIA #1 Bonds	$ 11,560,000	7.250%	September 1, 2045
NIA #2-5 Bonds	$ 16,825,000	8.250%	September 1, 2040

Principal payments on the 2015 Bonds were due each September 1 and began on September 1, 2018, for the NIA #1 Bonds and September 1, 2019, for the NIA #2-5 Bonds according to the mandatory sinking fund redemption schedule.

Interest on the 2015 Bonds was payable according to the terms specified by the Indentures semiannually on March 1 and September 1 of each year commencing on March 1, 2016. Interest on the 2015 Bonds was calculated based on a 360-day year comprised of twelve 30-day months. Interest payments on the NIA #1 Bonds totaled $749,227 and $764,150 for the years ended September 30, 2024, and 2023, respectively. Interest payments on the NIA #2-5 Bonds totaled $1,244,513 and $1,277,925 for the years ended September 30, 2024, and 2023, respectively.

1. Optional Redemption

The 2015 Bonds were subject to redemption, in whole, or in part, prior to stated maturity, at the option of the City, on any date on or after March 1, 2023, such redemption date or dates to be fixed by the City, at the prices shown below (expressed as a percentage of par), plus accrued interest to the redemption date.

Redemption Date	Redemption Price
On or After March 1, 2023	103%
On or After March 1, 2024	102%
On or After March 1, 2025	101%
On or After March 1, 2026	100%

On August 30, 2024, the City refunded the NIA #1 and NIA #2-5 Bonds including a call premium of 2% paid on the redemption of the Bonds.

2. Extraordinary Optional Redemption

The 2015 Bonds were 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 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 was an extraordinary redemption of $65,000 made on July 1, 2024 and no extraordinary optional redemptions in fiscal year 2023.

B. Special Assessment Revenue Bonds, Series 2019

On October 3, 2019, the City issued on behalf of the PID $6,355,000 in Special Assessment Revenue Bonds, Series 2019 NIA #2-3 Bonds to replace the NIA # 2 and NIA #3 Reimbursement Agreements, entered in fiscal year 2019 to develop public improvements in the PID. The NIA #2-3 Bonds were issued to reimburse the developer under the reimbursement agreements and move the burden of the costs of the public improvements onto the PID.

The NIA #2-3 Bonds are intended to be paid primarily from annual installments of assessments imposed and collected by the City against the properties benefiting from the public improvements. If an assessment is not paid in full, the PID Act authorizes the City to collect interest and collections costs on the outstanding assessment. The City covenanted in the NIA #2-3 Indenture that it will take and pursue all actions permissible under applicable laws to cause the assessments to be collected and any resulting liens enforced.

The NIA #2-3 Bonds are special obligations of the City payable solely from and secured by a pledge of assessments. They are not payable from funds raised or to be raised from taxation.

The NIA #2-3 Bonds were issued in two series as follows:

		Par Value	Rate	Final Maturity		Bond Discount
Term 2039	$	410,000	4.125%	September 1, 2039	$	-
Term 2049	$	5,945,000	4.250%	September 1, 2049	$	(49,997)

The NIA #2-3 Bonds described above represent 12% of the PID Bonds' current outstanding long-term debt balance, and are subject to mandatory sinking fund, optional, and extraordinary optional redemption requirements as specified in the NIA#2-3 Indenture. Principal payments on the NIA #2-3 Bonds are due each September 1 and began on September 1, 2021, according to the mandatory sinking fund redemption schedule.

Interest on the NIA #2-3 Bonds is payable according to the terms specified by the NIA #2-3 Indenture semiannually on March 1 and September 1 of each year commencing on March 1, 2020. Interest on the Bonds is calculated based on a 360-day year comprised of twelve 30-day months. Interest payments on the NIA #2-3 Bonds' totaled $265,388 and $266,213 for the years ending September 30, 2024, and 2023, respectively.

The NIA #2-3 Bonds were issued at a net discount of $49,997. The discount is being amortized over the life of the NIA #2-3 Bonds on straight-line method over the life of each series/term of Bonds. Amortization of $1,666 and $1,667 was recorded in fiscal year 2024 and 2023, respectively.

1. Optional Redemption

The City reserves the right and option to redeem the Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 2029, at the price of par plus accrued interest to the date of redemption.

2. Extraordinary Optional Redemption

The NIA #2-3 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 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 made in the fiscal years ending September 30, 2024 and 2023.

C. Special Assessment Revenue Bonds, Series 2020

On September 29, 2020, the City issued on behalf of the PID $4,000,000 in Special Assessment Revenue Bonds, Series 2020 NIA #4 Bonds (the "NIA #4 Bonds") to finance construction of certain public infrastructure improvements within the respective area, to pay a portion of the interest on the bonds during and after the period of acquisition and construction of the NIA #4 improvements, to fund a reserve fund for payment of the principal and interest on the bonds, to pay a portion of the costs incidental to the organization of the PID, and to pay costs of issuance.

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

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

The NIA #4 Bonds were issued as follows:

Par Value	Rate	Final Maturity
$ 4,000,000	4.125%	September 1, 2050

The NIA #4 Bonds described above represent 7% of the PID Bonds' current outstanding long-term debt balance, and are subject to mandatory sinking fund, optional, and extraordinary optional redemption requirements as specified in the NIA #4 Indenture. Principal payments on the NIA #4 Bonds are due each September 1 and began on September 1, 2022, according to the mandatory sinking fund redemption schedule.

Interest on the NIA #4 Bonds is payable according to the terms specified by the NIA #4 Indenture semiannually on March 1 and September 1 of each year commencing on March 1, 2021. Interest on the Bonds is calculated based on a 360-day year comprised of twelve 30-day months. Interest payments on the NIA #4 Bonds totaled $164,588 and $164,794 for the years ending September 30, 2024, and 2023, respectively.

1. Optional Redemption

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

2. Extraordinary Optional Redemption

The NIA #4 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 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 made in the fiscal years ending September 30, 2024, and 2023.

D. Special Assessment Revenue Bonds, Series 2022

On January 12, 2022, the City issued on behalf of the PID $20,784,000 in Special Assessment Revenue Bonds, Series 2022 NIA #5 Bonds (the "NIA #5 Bonds") to finance construction of certain public infrastructure improvements within the respective area, to pay a portion of the interest on the bonds during and after the period of acquisition and construction of the NIA #5 improvements, to fund a reserve fund for payment of the principal and interest on the bonds, to pay a portion of the costs incidental to the organization of the PID, and to pay costs of issuance.

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

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

The NIA #5 Bonds were issued as follows:

	Par Value	Rate	Final Maturity	Bond Premium
Term 2027	$ 863,000	2.875%	September 1, 2027	$ -
Term 2032	$ 998,000	3.250%	September 1, 2032	$ -
Term 2042	$ 4,563,000	3.500%	September 1, 2042	$ -
Term 2051	$ 14,360,000	4.000%	September 1, 2051	$ 310,894

The NIA #5 Bonds described above represent 38% of the PID's Bonds' current outstanding long-term debt balance, and are subject to mandatory sinking fund, optional, and extraordinary optional redemption requirements as specified in the NIA #5 Indenture. Principal payments on the NIA #5 Bonds are due each September 1 and began on September 1, 2023, 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 September 1, 2022. Interest on the Bonds is calculated based on a 360-day year comprised of twelve 30-day months. Interest payments on the NIA #5 Bonds totaled $786,664 and $791,351 for the years ending September 30, 2024, and 2023, respectively.

The NIA #5 Bonds were issued at a net premium of $310,894. The premium will be amortized over the life of the NIA #5 Bonds using the straight-line method over the life of each term of the Bonds. Amortization of $10,490 and $10,491 was recorded in fiscal years 2024 and 2023, respectively.

1. Optional Redemption

The City reserves the right and option to redeem the Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 2031, at the price of par plus accrued interest to the date of redemption.

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 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 assessment prepayments before the due date, unexpended proceeds transferred from the Project Fund to the Redemption Fund, or any other transfers to the Redemption Fund under the terms of the Indenture. There were no extraordinary optional redemptions made in the fiscal years ending September 30, 2024, and 2023.

E. Special Assessment Revenue Refunding Bonds, Series 2024

On August 30, 2024, the City issued on behalf of the PID $9,412,000 in Special Assessment Revenue Refunding Bonds, NIA #1 Refunding Series 2024 and $13,563,000 in Special Assessment Revenue Refunding Bonds, MIA Refunding Series 2024, (collectively, the "2024 Refunding Bonds") for the purpose of refunding the Series 2015 Bonds, funding a portion of a reserve fund for the payment of principal and interest on the Bonds, and paying the costs of issuing the Bonds, to be deposited to the debt service reserve fund for the Bonds.

The 2024 Refunding Bonds are intended to be paid primarily from annual installments of assessments imposed and collected by the City against the properties benefiting from the public improvements. If an assessment is not paid in full, the PID Act authorizes the City to collect interest and collections costs on the outstanding assessment. The City covenanted in the NIA #1 Refunding and MIA Refunding Indentures that it will take and pursue all actions permissible under applicable laws to cause the assessments to be collected and any resulting liens enforced.

The 2024 Refunding Bonds were issued as follows:

Series 2024 Refunding Bonds

NIA #1 Refunding	Par Value	Rate	Final Maturity	Bond Premium
Serial 9/1/25	$ 277,000	5.000%	September 1, 2025	62,428.01
Serial 9/1/26	$ 290,000	5.000%	September 1, 2026	58,370.63
Serial 9/1/27	$ 306,000	5.000%	September 1, 2027	54,193.00
Serial 9/1/28	$ 316,000	5.000%	September 1, 2028	49,866.45
Serial 9/1/29	$ 331,000	5.000%	September 1, 2029	45,468.56
Serial 9/1/30	$ 345,000	5.000%	September 1, 2030	40,940.92
Serial 9/1/31	$ 359,000	5.000%	September 1, 2031	36,314.78
Serial 9/1/32	$ 376,000	5.000%	September 1, 2032	31,747.32
Serial 9/1/33	$ 398,000	5.000%	September 1, 2033	27,269.98
Serial 9/1/34	$ 408,000	5.000%	September 1, 2034	23,127.05
Serial 9/1/38	$ 1,841,000	5.000%	September 1, 2038	77,733.57
Serial 9/1/45	$ 4,165,000	5.000%	September 1, 2045	64,449.29

MIA Refunding	Par Value	Rate	Final Maturity	Bond Premium
Serial 9/1/25	$ 579,000	5.000%	September 1, 2025	116,140.37
Serial 9/1/26	$ 605,000	5.000%	September 1, 2026	107,944.57
Serial 9/1/27	$ 637,000	5.000%	September 1, 2027	99,525.01
Serial 9/1/28	$ 667,000	5.000%	September 1, 2028	90,816.62
Serial 9/1/29	$ 700,000	5.000%	September 1, 2029	81,851.61
Serial 9/1/30	$ 736,000	5.000%	September 1, 2030	72,602.26
Serial 9/1/31	$ 769,000	5.000%	September 1, 2031	63,074.07
Term 9/1/34	$ 2,542,000	5.000%	September 1, 2034	161,353.50
Term 9/1/37	$ 2,936,000	5.000%	September 1, 2037	93,635.70
Term 9/1/40	$ 3,392,000	5.000%	September 1, 2040	40,269.39

The 2024 Refunding Bonds described above represent 43% of the PID's Bonds' current outstanding long-term debt balance, and are subject to mandatory sinking fund, optional, and extraordinary optional redemption requirements as specified in the 2024 Refunding Bonds Indentures. Principal payments on the 2024 Refunding Bonds are due each September 1 and will begin on September 1, 2025, according to the mandatory sinking fund redemption schedule.

Interest on the 2024 Refunding Bonds is payable according to the terms specified by the 2024 Refunding Bonds Indentures semiannually on March 1 and September 1 of each year commencing on March 1, 2025. Interest on the Bonds is calculated based on a 360-day year comprised of twelve 30-day months.

The 2024 Refunding Bonds were issued at a net premium of $1,514,086. The premium will be amortized over the life of the 2024 Refunding Bonds using the straight-line method over the life of each term of the Bonds. Amortization of $14,963 was recorded in fiscal year 2024.

The 2024 Refunding Bonds were issued at a call premium. A call premium of $293,000 was assessed on the MIA Refunding Bonds and $201,400 was assessed on the NIA #1 Refunding bonds. The premium is being amortized over the life of the Refunding Bonds using the straight-line method. For fiscal year 2024, the amortized amounts were $1,526 for the MIA Refunding Bonds and $799 for the NIA #1 Refunding Bonds. The issuance of the NIA #1 Refunding Bonds and the MIA Refunding Bonds resulted in net present value savings of $928,692 and $3,079,981, respectively.

1. Optional Redemption

a. NIA 1 Refunding

The City reserves the right and option to redeem the Bonds maturing on or after September 1, 2033, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 1, 2032, such redemption date or dates to be fixed by the City, at the redemption price.

b. MIA Refunding

The City reserves the right and option to redeem the Bonds maturing on or after September 1, 2034, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 1, 2032, such redemption date or dates to be fixed by the City, at the redemption price.

2. Extraordinary Optional Redemption

The 2024 Refunding Bonds are subject to extraordinary optional redemption by the City prior to their scheduled maturity after the required notice of redemption, at a 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 assessment prepayments (including related transfers to the Redemption Fund made pursuant to the terms of this Indenture) or any other transfers to the Redemption Fund under the terms of this Indenture. There were no extraordinary optional redemptions in fiscal year 2024.

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 the period	**NIA #1 Refunding Bonds**		**NIA #2-5 Refunding Bonds**	
Ending September 30,	Principal	Interest	Principal	Interest
2025	$ 277,000	$ 470,600	$ 579,000	$ 678,150
2026	290,000	456,750	605,000	649,200
2027	306,000	442,250	637,000	618,950
2028	316,000	426,950	667,000	587,100
2029	331,000	411,150	700,000	553,750
2030-2034	1,886,000	1,792,650	4,047,000	2,208,050
2035-2039	2,362,000	1,276,800	5,141,000	1,092,550
2040-2044	2,974,000	627,750	1,187,000	59,350
2045	670,000	47,350	-	-
Total	**$ 9,412,000**	**$ 5,952,250**	**$ 13,563,000**	**$ 6,447,100**

For the period Ending September 30,	NIA #2-3 Bonds Principal	NIA #2-3 Bonds Interest	NIA #4 Bonds Principal	NIA #4 Bonds Interest
2025	$ 20,000	$ 264,563	$ 5,000	$ 164,381
2026	20,000	263,738	5,000	164,175
2027	20,000	262,913	5,000	163,969
2028	20,000	262,088	5,000	163,763
2029	20,000	261,263	5,000	163,556
2030-2034	110,000	1,293,731	25,000	814,688
2035-2039	130,000	1,268,981	25,000	809,532
2040-2044	2,360,000	1,103,725	1,375,000	723,938
2045-2049	3,535,000	463,250	2,065,000	359,701
2050	-	-	470,000	19,388
Total	**$ 6,235,000**	**$ 5,444,252**	**$ 3,985,000**	**$ 3,547,091**

For the period Ending September 30,	NIA #5 Bonds Principal	NIA #5 Bonds Interest	Total Bonds Principal	Total Bonds Interest
2025	$ 172,000	$ 781,807	$ 1,053,000	$ 2,359,501
2026	178,000	776,861	1,098,000	2,310,724
2027	181,000	771,744	1,149,000	2,259,826
2028	187,000	766,541	1,195,000	2,206,442
2029	193,000	760,463	1,249,000	2,150,182
2030-2034	1,067,000	3,703,449	7,135,000	9,812,568
2035-2039	1,287,000	3,505,430	8,945,000	7,953,293
2040-2044	5,566,000	3,051,390	13,462,000	5,566,153
2045-2049	7,945,000	1,715,200	14,215,000	2,585,501
2050-2051	3,676,000	222,120	4,146,000	241,508
Total	**$ 20,452,000**	**$ 16,055,005**	**$ 53,647,000**	**$ 37,445,698**

NOTE 6—DEVELOPER ESCROW DEPOSIT

At issuance of the NIA #5 Bonds, the Developer deposited $8,322,457 with the trustee to be held in escrow and used to fund costs of the public improvements in excess of the funds available from the proceeds of the Bonds. Any funds remaining at the completion of the public improvements will be returned to the Developer. In fiscal year 2024, the remaining $532,053 was drawn on the developer's escrow deposit and $528,891 was reported as developer's contributions. During fiscal year 2023 $6,889,682 was drawn on the developer's escrow deposit and reported as income to the PID.

NOTE 7—REVENUES

Annual installments of assessments are to be imposed and collected on all properties within the PID benefiting from the public improvements (excepting those for which the assessment has been prepaid), to pay debt service and operating costs of the PID. The annual installments are remitted to the PID monthly, as they are received by the DCTO. The amount assessed, generally, is equal to: (i) annual debt service and administrative expenses, less (ii) other amounts available for the payment of such debt service and expenses. The other amounts available include TIRZ contributions paid by the City to reduce the annual installment, the amount of which is calculated each year based on the Service and Assessment Plan (the "SAP"). 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 are payable to the DCTO no later than February 1 of each year. The annual installments were billed as follows:

Annual Installments	**2024**		**2023**	
NIA #1	$	860,616	$	915,277
NIA #2-5 (MIA)		1,606,760		1,721,745
NIA #2-3		352,319		357,386
NIA #4		219,107		225,469
NIA #5		1,125,054		1,172,986
Total	**$**	**4,163,856**	**$**	**4,392,863**

As of September 30, 2024, $4,748 of the 2024 annual assessments levy is delinquent.

Assessment prepayments collected from property owners in the 2024 and 2023 fiscal years totaled $18,060 and $39,820, respectively. In fiscal year 2024, $65,000 was used to redeem NIA #1 Bonds.

TIRZ contributions are collected by the DCTO from each parcel of assessed property that pays County taxes in a given year. A portion of the taxes paid on each individual parcel (TIRZ contribution percentage) is used to calculate that parcel's TIRZ annual credit for the following year. The TIRZ contribution reduces the amount of annual installments and assists in the repayment of the Bonds.

TIRZ contributions paid were as follows:

TIRZ Contributions	**2024**		**2023**	
NIA #1	$	167,917	$	129,873
NIA #2-5 (MIA)		141,944		65,608
Total	**$**	**309,861**	**$**	**195,480**

NOTE 8—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 restrictions were identified in the fiscal years ending September 30, 2024, and 2023.

NOTE 9—SUBSEQUENT EVENTS

The annual assessments for 2024-2025 have been billed to property owners as follows:

Annual Installments	2025
NIA #1 Refunding Bonds	$ 632,258
NIA #2-5 Refunding Bonds	1,078,896
NIA #2-3 Bonds	329,770
NIA #4 Bonds	210,979
NIA #5 Bonds	1,060,360
Total	**$ 3,312,263**

As of September 30, 2025 the DCTO has collected $3,309,388 of annual installments for the 2024-2025 tax year.