FINANCIAL STATEMENT

FINANCIAL STATEMENT (As of September 30, 2024)

Net Taxable Assessed Valuation ("A.V."), 2025	$356,278,186
New Debt	$14,995,000
Outstanding Debt	19,958,000
Total General Obligation Debt	$34,953,000
Less: Self-Supporting (a)	
Water & Sewer	23,815,060
GO Debt payable from Ad Valorem Taxes	$11,137,941
Less: I&S Fund	865,579
Net Debt	$10,272,362

(a) The September 08, 2025 Official Statement reports the following General Obligation Debt being paid from revenues other than ad valorem taxes, thus considered self-supporting.

Net Debt Per Net Taxable Assessed Valuation - 2.88%
Net Debt Per Sq mile - $3,424,120.50
Net Debt Per Capita - $1,166.39

Net Taxable Assessed Valuation Per Capita - $40,453.98

Bureau of Census Pop: 2010 - 812
Bureau of Census Pop: 2020 - 2,119
2024 Estimated Population - 8,807
Area: 3.00 Sq mile

PAYMENT RECORD

Never defaulted.

TAX DATA

Tax Year	A.V.	Tax Rate	Adjusted Levy	% Collections Current	Total	Year Ended
2019	$123,624,553	$0.5750	$666,245	98.71	99.06	09/30/2020
2020	$135,720,903	$0.5591	$732,158	99.31	100.60	09/30/2021
2021	$160,254,077	$0.5167	$801,854	99.80(a)	99.58(a)	09/30/2022
2022	$212,247,252	$0.4916	$1,018,775	99.53(a)	99.13(a)	09/30/2023
2023	$260,451,101	$0.4681	$1,192,813	99.41	99.82	09/30/2024
2024	$310,302,346	$0.4681	$1,275,149	99.00	99.00	09/30/2025(b)
2025	$356,278,186	$0.4681	$1,667,738	(In process of collection)		

(a) Current Collections higher than Total Collections due to tax refund.
(b) Collections as of July 31, 2025.

Tax Rate Distribution	2025	2024	2023	2022
M&O	$0.3566	$0.3566	$0.3566	$0.3801
I&S	$0.1115	$0.1115	$0.1115	$0.1115
Totals	$0.4681	$0.4681	$0.4681	$0.4916

TAX RATE LIMITATION

Tax Rate Limitation: Article XI, Section 4 of Texas Constitution, applicable to cities of 5,000 or less: $1.50 per $100 assessed valuation for all purposes.

SALES TAX

Municipal Sales Tax: The City has adopted the provisions of Municipal Sales and Use Tax Act V.T.C.A, Tax Code, Chapter 321, which grants the City power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the bonds in this report. Voters approved an additional sales and use tax of 1/2 of 1% for the Josephine Community Development Corporation (Type B), effective April of 2014. On April of 2025 voters approved to rescinded the additional Sales Tax. Net allocations on calendar year basis are as follows:

Calendar Year	Rate	Total Collected	% of Ad Val Tax Levy	Equiv of Ad Val Tax Rate
2021	1.500%	$224,668	28.02%	$0.14
2022	1.500	267,892	26.30	0.13
2023	1.500	343,517	28.80	0.13
2024	1.500	393,261	30.84	0.14

DETAILS OF OUTSTANDING DEBT

Details of Limited Tax Debt (Outstanding 9/30/2024)

Combination Tax And Revenue Certificates of Obligation Series 2022

Tax Treatment:	Tax Exempt
Original Issue Amount	$5,065,000.00
Dated Date:	01/15/2022
Sale Date:	01/10/2022
Delivery Date:	02/15/2022
Sale Type:	Competitive
TIC:	2.3987%
Record Date:	MSRB
Bond Form:	BE
Denomination	$5,000
Interest pays	Semi-Annually: 08/15, 02/15
1st Coupon Date:	02/15/2023

Paying Agent: Wilmington Trust Company, Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial/Municipal Advisor: Hilltop Securities Inc., Dallas, TX
Lead Manager: SAMCO Capital Markets, Inc.
Co-Manager: Estrada Hinojosa & Company, Inc.
Co-Manager: FHN Financial
Disclosure Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX

Insurance: Assured Guaranty Inc. (AG)

Security : Limited Tax and a subordinate lien on the surplus revenues of the Waterworks & Sewer system.

Water & Sewer 100.00%

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2025	130,000.00	5.0000%	0.700%
02/15/2026	140,000.00	5.0000%	0.850%
02/15/2027	145,000.00	5.0000%	1.000%
02/15/2028	155,000.00	5.0000%	1.200%
02/15/2029	160,000.00	5.0000%	1.300%
02/15/2030	170,000.00	5.0000%	1.400%
02/15/2031	180,000.00	5.0000%	1.450%
02/15/2033T	380,000.00	4.0000%	1.550%
02/15/2035T	410,000.00	3.0000%	1.800%
02/15/2037T	435,000.00	3.0000%	1.960%
02/15/2039T	460,000.00	3.0000%	2.020%
02/15/2041T	490,000.00	3.0000%	2.080%
02/15/2043T	520,000.00	3.0000%	2.140%
02/15/2045T	550,000.00	3.0000%	2.200%
02/15/2047T	585,000.00	3.0000%	2.230%

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--$4,910,000.00

Call Option: Term bonds maturing on 02/15/2033 and 02/15/2035 and 02/15/2037 and 02/15/2039 and 02/15/2041 and 02/15/2043 and 02/15/2045 and 02/15/2047 callable in whole or in part on any date beginning 02/15/2032 @ par.

Term Call: Term bonds maturing on 02/15/2033 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2032	$185,000
02/15/2033	$195,000

	$380,000

Term bonds maturing on 02/15/2035 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2034	$200,000
02/15/2035	$210,000

	$410,000

Term bonds maturing on 02/15/2037 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2036	$215,000
02/15/2037	$220,000

	$435,000

Term bonds maturing on 02/15/2039 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2038	$225,000
02/15/2039	$235,000

	$460,000

Term bonds maturing on 02/15/2041 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2040	$240,000
02/15/2041	$250,000

	$490,000

Term bonds maturing on 02/15/2043 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2042	$255,000
02/15/2043	$265,000

	$520,000

Term bonds maturing on 02/15/2045 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2044	$270,000
02/15/2045	$280,000

	$550,000

Term bonds maturing on 02/15/2047 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2046	$290,000
02/15/2047	$295,000

	$585,000

Combination Tax And Revenue Certificates of Obligation Series 2022A

Tax Treatment: Tax Exempt
Original Issue Amount $10,845,000.00
Dated Date: 07/01/2022
Sale Date: 07/11/2022
Delivery Date: 08/10/2022
Sale Type: Competitive
TIC: 4.1389%
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2023

Paying Agent: Wilmington Trust Company, Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial/Municipal Advisor: Hilltop Securities Inc., Dallas, TX
Lead Manager: Baird
Co-Manager: Bernardi Securities, Inc.
Co-Manager: Carty & Co., Inc.
Co-Manager: Celadon Financial Group
Co-Manager: CL King & Associates
Co-Manager: Commerce Bank
Co-Manager: Country Club Bank
Co-Manager: Crews & Associates, Inc.
Co-Manager: D.A. Davidson & Co.
Co-Manager: Davenport & Co. LLC
Co-Manager: Dinosaur Securities LLC
Co-Manager: Duncan-Williams, Inc.
Co-Manager: Edward Jones
Co-Manager: First Southern Securities, LLC
Co-Manager: FMSbonds, Inc.
Co-Manager: Isaak Bond
Co-Manager: Loop Capital Markets LLC
Co-Manager: Midland Securities, Ltd
Co-Manager: Mountainside Securities
Co-Manager: Multi-Bank Securities, Inc.
Co-Manager: Northland Securities
Co-Manager: Oppenheimer & Co. Inc.
Co-Manager: Seaport Global
Co-Manager: Sierra Pacific
Co-Manager: Wintrust Bank
Disclosure Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX

Insurance: Build America Mutual

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Waterworks & Sewer system.

Water & Sewer 72.15%

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2025	150,000.00	6.0000%	2.000%
02/15/2026	155,000.00	6.0000%	2.120%
02/15/2027	170,000.00	6.0000%	2.200%
02/15/2028	175,000.00	6.0000%	2.350%
02/15/2029	190,000.00	6.0000%	2.500%
02/15/2030	200,000.00	6.0000%	2.600%
02/15/2031	210,000.00	6.0000%	2.700%
02/15/2032	230,000.00	6.0000%	2.800%
02/15/2033	240,000.00	5.0000%	2.950%
02/15/2034	255,000.00	5.0000%	3.050%
02/15/2035	260,000.00	5.0000%	3.150%
02/15/2036	275,000.00	5.0000%	3.250%
02/15/2037	290,000.00	5.0000%	3.300%
02/15/2038	305,000.00	5.0000%	3.350%
02/15/2039	320,000.00	4.0000%	3.800%
02/15/2040	335,000.00	4.0000%	3.850%
02/15/2041	345,000.00	4.0000%	3.900%
02/15/2042	365,000.00	4.0000%	100.00%
02/15/2043	375,000.00	4.0000%	4.040%
02/15/2044	395,000.00	4.0000%	4.060%
02/15/2045	405,000.00	4.0000%	4.080%
02/15/2047T	860,000.00	4.0000%	4.100%

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02/15/2052T	4,160,000.00	4.0000%	4.150%
			$10,665,000.00

Call Option: Bonds maturing on 02/15/2033 to 02/15/2045 and term bonds maturing on 02/15/2047 and 02/15/2052 callable in whole or in part on any date beginning 02/15/2032 @ par.

Term Call: Term bonds maturing on 02/15/2047 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2046	$420,000
02/15/2047	$440,000
	$860,000

Term bonds maturing on 02/15/2052 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/15/2048	$765,000
02/15/2049	$800,000
02/15/2050	$830,000
02/15/2051	$865,000
02/15/2052	$900,000
	$4,160,000

Tax Notes Series 2023

Tax Treatment: Bank Qualified
Original Issue Amount $4,884,000.00
Dated Date: 10/01/2023
Sale Date: 09/19/2023
Delivery Date: 10/10/2023
Sale Type: Private Placement
TIC: 4.5009%
Record Date: MSRB
Bond Form: FR
Denomination $4,884,000
Interest pays Semi-Annually: 03/15, 09/15
1st Coupon Date: 09/15/2024

Paying Agent: Webster Bank, N.A., New York, NY
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial/Municipal Advisor: Hilltop Securities Inc., Dallas, TX
Purchaser: Webster Bank, N.A., Athens, GA
Placement Agent: FHN Financial

Use of Proceeds: Public Safety Imps.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
09/15/2025	543,000.00	4.3050%	100.00%
09/15/2026	575,000.00	4.3050%	100.00%
09/15/2027	603,000.00	4.3050%	100.00%
09/15/2028	633,000.00	4.3050%	100.00%
09/15/2029	724,000.00	4.3050%	100.00%
09/15/2030	1,305,000.00	4.3050%	100.00%
			$4,383,000.00

Call Option: Bonds maturing on 09/15/2028 to 09/15/2030 callable in whole on any business day beginning 09/15/2027 @ par.

Combination Tax and Revenue Certificates of Obligation, Series 2025

Tax Treatment: Tax Exempt
Original Issue Amount $14,995,000.00
Dated Date: 09/01/2025
Sale Date: 09/08/2025
Delivery Date: 09/24/2025
Sale Type: Competitive
TIC: 4.4450%
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2026

Paying Agent: Wilmington Trust Company, Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial/Municipal Advisor: Hilltop Securities Inc., Dallas, TX
Lead Manager: Baird
Co-Manager: Alliance Global Partners
Co-Manager: Amegy Bank
Co-Manager: Bernardi Securities, Inc.
Co-Manager: Blaylock Van, LLC
Co-Manager: Cadz Securities Inc.
Co-Manager: Caldwell Sutter Capital
Co-Manager: Carty Harding & Hearn Inc.
Co-Manager: Celadon Financial Group
Co-Manager: CL King & Associates
Co-Manager: Crews & Associates, Inc.
Co-Manager: Davenport & Co. LLC
Co-Manager: Dinosaur Financial Group, LLC
Co-Manager: Edward Jones
Co-Manager: First Bankers' Banc Securities, Inc.
Co-Manager: First Southern, LLC
Co-Manager: FMSbonds, Inc.
Co-Manager: InspereX
Co-Manager: Isaak Bond Investments, Inc.
Co-Manager: Midland Securities, Ltd
Co-Manager: Mountainside Securities
Co-Manager: Multi-Bank Securities, Inc.
Co-Manager: Northland Securities
Co-Manager: Oppenheimer & Co. Inc.
Co-Manager: Stifel Nicolaus & Company, Inc.
Co-Manager: StoneX
Disclosure Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX

Insurance: Build America Mutual

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system.

Water & Sewer 74.76%

Use of Proceeds: Water, Sewer & Drainage.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2027	290,000.00	5.0000%	2.340%
02/15/2028	310,000.00	5.0000%	2.370%
02/15/2029	320,000.00	5.0000%	2.400%
02/15/2030	340,000.00	5.0000%	2.500%
02/15/2031	420,000.00	5.0000%	2.640%
02/15/2032	440,000.00	5.0000%	2.810%
02/15/2033	465,000.00	5.0000%	2.960%
02/15/2034	490,000.00	5.0000%	3.090%
02/15/2035	510,000.00	5.0000%	3.250%
02/15/2036	540,000.00	5.0000%	3.500%
02/15/2037	570,000.00	5.0000%	3.670%
02/15/2038	595,000.00	5.0000%	3.800%
02/15/2039	625,000.00	5.0000%	3.910%
02/15/2040	655,000.00	4.0000%	4.200%
02/15/2041	685,000.00	4.2500%	4.300%
02/15/2042	715,000.00	4.2500%	4.400%
02/15/2043	745,000.00	4.5000%	100.00%
02/15/2044	780,000.00	4.5000%	4.550%
02/15/2045	820,000.00	4.5000%	4.600%
02/15/2046	855,000.00	4.5000%	4.640%
02/15/2047	895,000.00	4.5000%	4.670%
02/15/2048	930,000.00	4.5000%	4.700%

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02/15/2049	975,000.00	4.5000%	4.730%
02/15/2050	1,025,000.00	4.7500%	100.00%

---$14,995,000.00

Call Option: Bonds maturing on 02/15/2036 to 02/15/2050 callable in whole or in part on any date beginning 02/15/2035 @ par.

Grand Total ===============> $34,953,000.00

Bond Debt Service

Period Ending	Principal	Interest	Debt Service
09/30/25	823,000.00	826,088.16	1,649,088.16
09/30/26	870,000.00	1,411,101.29	2,281,101.29
09/30/27	1,208,000.00	1,438,070.74	2,646,070.74
09/30/28	1,273,000.00	1,379,261.58	2,652,261.58
09/30/29	1,394,000.00	1,317,435.94	2,711,435.94
09/30/30	2,015,000.00	1,249,817.74	3,264,817.74
09/30/31	810,000.00	1,153,587.50	1,963,587.50
09/30/32	855,000.00	1,110,687.50	1,965,687.50
09/30/33	900,000.00	1,067,562.50	1,967,562.50
09/30/34	945,000.00	1,024,412.50	1,969,412.50
09/30/35	980,000.00	980,387.50	1,960,387.50
09/30/36	1,030,000.00	934,387.50	1,964,387.50
09/30/37	1,080,000.00	885,987.50	1,965,987.50
09/30/38	1,125,000.00	835,312.50	1,960,312.50
09/30/39	1,180,000.00	783,887.50	1,963,887.50
09/30/40	1,230,000.00	734,937.50	1,964,937.50
09/30/41	1,280,000.00	686,331.25	1,966,331.25
09/30/42	1,335,000.00	634,806.25	1,969,806.25
09/30/43	1,385,000.00	580,250.00	1,965,250.00
09/30/44	1,445,000.00	522,512.50	1,967,512.50
09/30/45	1,505,000.00	462,262.50	1,967,262.50
09/30/46	1,565,000.00	399,525.00	1,964,525.00
09/30/47	1,630,000.00	334,175.00	1,964,175.00
09/30/48	1,695,000.00	264,587.50	1,959,587.50
09/30/49	1,775,000.00	190,425.00	1,965,425.00
09/30/50	1,855,000.00	111,543.75	1,966,543.75
09/30/51	865,000.00	53,300.00	918,300.00
09/30/52	900,000.00	18,000.00	918,000.00
	34,953,000.00	21,390,644.20	56,343,644.20

COMPUTED ON BASIS OF MANDATORY REDEMPTION

Debt Amortization Rates

Period Ending	Principal	% of Principal Retired
09/30/2025	823,000.00	02.35%
09/30/2026	870,000.00	04.84%
09/30/2027	1,208,000.00	08.30%
09/30/2028	1,273,000.00	11.94%
09/30/2029	1,394,000.00	15.93%
09/30/2030	2,015,000.00	21.69%
09/30/2031	810,000.00	24.01%
09/30/2032	855,000.00	26.46%
09/30/2033	900,000.00	29.03%
09/30/2034	945,000.00	31.74%
09/30/2035	980,000.00	34.54%
09/30/2036	1,030,000.00	37.49%
09/30/2037	1,080,000.00	40.58%
09/30/2038	1,125,000.00	43.80%
09/30/2039	1,180,000.00	47.17%
09/30/2040	1,230,000.00	50.69%
09/30/2041	1,280,000.00	54.35%
09/30/2042	1,335,000.00	58.17%
09/30/2043	1,385,000.00	62.13%
09/30/2044	1,445,000.00	66.27%
09/30/2045	1,505,000.00	70.57%
09/30/2046	1,565,000.00	75.05%
09/30/2047	1,630,000.00	79.72%
09/30/2048	1,695,000.00	84.56%
09/30/2049	1,775,000.00	89.64%
09/30/2050	1,855,000.00	94.95%
09/30/2051	865,000.00	97.43%
09/30/2052	900,000.00	100.00%

DEBT SERVICE FUND MANAGEMENT INDEX

G.O. Debt Service Requirements for fiscal year-ending 09/30/2025		$1,649,088
I&S Fds all G.O. issues 09/30/2024	$865,579	
2024 I&S Fund Tax Levy @ 90%	311,388	
Water & Sewer	745,301	
Total	1,922,268	

OPERATING STATEMENT

WATERWORKS & SEWER SYSTEM OPERATING EXPERIENCE The following condensed statements have been compiled using accounting principles customarily employed in the determination of net revenues available for debt service, and in all instances exclude depreciation, transfers, debt service payments and expenditure identified as capital.

	Fiscal Year Ended			
	09-30-2024	09-30-2023	09-30-2022	09-30-2021
Revenue:				
W&S Service	$5,325,593	$4,054,411	$3,542,413	$2,274,527
Tap	821,025	810,283	738,525	827,473
Other	1,051,336	817,244	81,258	5,036
Total Revenues	$7,197,954	$5,681,938	$4,362,196	$3,107,036
Expense/Expenditure:				
Water Purchase	$1,238,289	$836,752	$471,431	$381,144
Other	1,867,964	2,756,485	1,610,427	967,362
Total Expenses	$3,106,253	$3,593,237	$2,081,858	$1,348,506
Available For Debt Service	$4,091,701	$2,088,701	$2,280,338	$1,758,530

SYSTEM DESCRIPTION

WATER SUPPLY The City has a 30 year contract with North Texas Municipal Water District to purchase water. For more information, see Contracts section below.

CONTRACTS

CONTRACT NAME	CONTRACTING ENTITY
DEVELOPER AGREEMENT	Josephine, City of

DETAILS: Pursuant to the Development Agreement, the City of Josephine (the "City") is required to provide water service to serve the District and will operate the facilities within the District. Additionally, pursuant to the Development Agreement, the Developer was required to fund an off-site water line built by the City and one built by the District, as well as other water facilities improvements made by the City in order to connect the City's system to the property within the District.

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Pursuant to the Development Agreement, the City is required to provide wastewater treatment service from the City of Josephine Wastewater Treatment Plant to the District and will operate the facilities within the District.

Source: Riverfield MUD #1 Official Statement dated July 1, 2025.

PARTICIPANTS
Riverfield MUD # 1

CONTRACT NAME	CONTRACTING ENTITY	START	END
WASTEWATER REUSE AGREEMENT	Josephine, City of	04/10/2023	N/A

DETAILS: The City of Josephine (the "City") entered into a Wastewater Reuse Agreement with Riverfield Municipal Utility District No. 1 and Riverfield Municipal Utility District No. 2 (collectively, the "MUDs") for the construction and extension of the MUDs' water treatment and reclaimed water system. The MUDs will share construction costs based on their proportionate acreage within the service area. As components of the reclaimed water system are completed, the MUDs will transfer them to the City, and the City will provide reclaimed water to the MUDs at no cost for as long as it is needed for beneficial use within the service area.

Source: Riverfield MUD #1 Audit dated May 31, 2024.

PARTICIPANTS
Riverfield MUD # 1
Riverfield MUD # 2

CONTRACT NAME	CONTRACTING ENTITY	START	END
WATER SUPPLY	N Texas MWD	12/31/1995	12/31/2025

DETAILS: The City of Josephine is currently obligated to a water purchase contract with the North Texas Municipal Water District. Total water cost for the year ended September 30, 2024 was $1,238,289.

Source: City of Josephine Official Statement dated September 8, 2025.

For more information see TMR #5636.

RATES AND FEES

Water Rates

Old Rates (Effective as of October 1, 2024)

	Gallons	Inside City Limits	Outside City Limits
First	3,000	$44.43(Min)	$48.88(Min)
Next	7,000	7.59/M	8.52/M
Next	10,000	9.11/M	10.22/M
Over	20,000	9.95/M	11.17/M

New Rates (Effective as of October 1, 2025)

	Gallons	Inside City Limits	Outside City Limits
First	3,000	$45.76(Min)	$50.34(Min)
Next	7,000	7.82/M	8.78/M
Next	10,000	9.11/M	10.22/M
Over	20,000	10.25/M	11.50/M

Sewer/Wastewater Rates

Old Rates (Effective as of October 1, 2024)

	Gallons	Inside City Limits	Outside City Limits
First	1,000	$27.80(Min)	$32.11(Min)
Next	4,000	2.94/M	3.39/M
Next	4,900	3.30/M	3.81/M
Maximum		$55.72	$64.33

New Rates (Effective as of October 1, 2025)

	Gallons	Inside City Limits	Outside City Limits
First	1,000	$29.47(Min)	$34.04(Min)
Next	4,000	3.12/M	3.60/M
Next	4,900	3.50/M	4.04/M
Maximum		$59.09	$68.23

AUTHORIZED BUT UNISSUED

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED None

PENSION FUND LIABILITY

All qualified employees of the City are members of the Texas Municipal Retirement System. The City employees also participate in the U.S. Social Security program.

The City participates as one of 890 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.TMRS.com.

Required Contribution Rates (Percentage of gross covered salary)

	2026	2025
Employee:	7.00%	7.00%
Maximum Rate:	No Max	No Max
City:	11.39%	12.51%

Actuarial Valuation as of	12/31/2024	12/31/2023
Assets	$2,100,130	$1,380,530
Accrued Liabilities	$2,197,425	$1,672,184
Unfunded/(Overfunded) Liab.	$97,295	$291,654
Funded Ratio	95.57%	82.56%
Annual Covered Payroll	$1,975,146	$1,621,301
Unfunded/(Overfunded) Liability as a % of Covered Payroll	4.93%	17.99%
Pension Liability - Beginning	$1,672,184	$1,137,409
Pension Liability - Ending (a)	$2,197,425	$1,672,184
Contributions Employer	$525,313	$137,487
Contributions Employee	$138,260	$97,278
Plan Fiduciary Net Position Beg	$1,360,232	$1,023,398
Plan Fiduciary Net Position End (b)	$2,134,748	$1,360,232
Net Pension Liability (a) - (b) (Pension Liab - Fiduciary Position)	$62,677	$311,952
Plan Fiduciary Net Position as a % of Total Pension Liability	97.15%	81.34%
Covered Employee Payroll	$1,975,146	$1,621,301
Net Pension Liability as a % of Covered Payroll	3.17%	19.24%

Membership Data

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Inactive employees or beneficiaries currently receiving benefits	3	3
Inactive employees entitled to but not yet receiving benefits	13	13
Active employees	31	26
Total	47	42

Source: Texas Municipal Retirement System.

PENSION FUND OPEB LIABILITY

OPEB Benefits - Supplemental Death Benefits Fund
Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated). The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

	12/31/2024	12/31/2023
Covered Payroll	$1,975,146	$1,621,301
Changes in the Total OPEB Liability		
Total OPEB Liability - BOY	$23,689	$19,933
Changes for the year		
Service Cost	$4,938	$3,567
Interest on Total OPEB Liability	$982	$876
Changes of benefit terms including TMRS plan participation	$0	$0
Differences between expected and actual experience	($2,607)	($2,833)
Changes in assumptions or other inputs	($2,077)	$2,308
Benefit payments	($198)	($162)
Net changes	$1,038	$3,756
Total OPEB Liability - EOY	$24,727	$23,689
Total OPEB Liability as a Percentage of Covered Payroll	1.2519%	1.4611%
OPEB Expense (Benefit)	$5,125	$4,283
Number of		
Inactive employees currently receiving benefits	4	3
Inactive employees entitled to but not yet receiving benefits	3	4
Active employees	31	26
Total	38	33

Source: Texas Municipal Retirement System.

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2024)

The City reports additional debt in the principal amount of $369,842 under Govt Activities and $630,115 under W&S Fund as follows:

	Amount Outstanding	Fund Reported Under
OPEB	$15,600	Govt Activities
Compensated Absences	$77,596	Govt Activities
Pension Liability	$207,105	Govt Activities
Arbitrage	$69,541	Govt Activities
Arbitrage	$481,143	W&S Fund
Pension Liability	$104,847	W&S Fund
OPEB	$8,089	W&S Fund
Compensated Absences	$36,036	W&S Fund

For additional information on Pension and/or OPEB liabilities, see Pension Fund Liabilities section of this report.

OVERLAPPING DEBT

Taxing Body	Debt Amount	As Of	%Ovlpg	Ovlpg Amt
Collin Co	$961,111,047	04/30/25	0.13	$1,249,444
Collin Co CCD	436,235,315	08/31/24	0.13	567,106
Community ISD	410,550,286	06/30/25	8.38	34,404,114
Hunt Co	8,700,545	01/31/25	0.03	2,610
Hunt Mem Hosp Dist	27,865,280	02/28/25	0.03	8,360
Total Overlapping Debt:				$36,231,634
Josephine, City of		09/30/24		$10,272,362
Total Direct and Overlapping Debt:				$46,503,995
Total Direct and Overlapping Debt % of A.V.:				13.05%
Total Direct and Overlapping Debt per Capita:				$5,280

MATERIAL EVENTS AND OTHER FILINGS

This section contains excerpt(s) from or a summary of filings made by or on behalf of the issuer. The information below is an extract or summary only. The complete filing should be viewed on the Texas MAC website (www.mactexas.com) or the Electronic Municipal Market Access (EMMA) System of the Municipal Securities Rulemaking Board (https://emma.msrb.org/). See TMR disclaimer at the bottom of this page.

01/02/2025 - Standard & Poor's Underlying: Upgrade on 12/19/2024

"S&P Global Ratings raised its long-term rating to 'AA-' from 'A+' on the City of Josephine, Texas' general obligation (GO) and certificates of obligation (CO) debt outstanding, and removed the rating from Under Criteria Observation (UCO). The outlook is stable.

"We base the upgrade on the application of our methodology for rating U.S. governments," said S&P Global Ratings credit analyst Derrick Rayford. (See the article published Sept. 9, 2024.)"

08/08/2024 - Notice of Merger of Assured Guaranty Municipal Corp. with Assured Guaranty Inc.

03/18/2024 - Notice of Failure to File Disclosure (FYE 2022-2023)

"Due to an administrative oversight, certain annual financial information and material events were not timely filed with EMMA for fiscal years ending 2022 and 2023. All information has since been filed including a notice of late

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filing. The Issuer has implemented procedures to ensure timely filing of all future financial information."

03/18/2024 - Notice of Failure to File Material Event - Financial Obligation Incurrence

"Due to an administrative oversight, certain annual financial information and material events were not timely filed with EMMA for fiscal years ending 2022 and 2023. All information has since been filed including a notice of late filing. The Issuer has implemented procedures to ensure timely filing of all future financial information."

ECONOMIC BACKGROUND

The City of Josephine in located in southeastern Collin County. It is located 35 miles northeast of Dallas. The City is located eight miles north of Interstate 30 between Greenville and Rockwall. The 2020 population was 2,119, an increase of 160.96% since 2010.

COUNTY CHARACTERISTICS

Collin County was created in 1846 from Fannin County. Many residents commute to jobs in Dallas, Garland, and Richardson. Popular recreational attractions include water sports on Lake Lavon, the McKinney Historical District, and the South Fork Ranch of the "Dallas" television series.

COUNTY SEAT: McKinney

2020 census: 1,064,465 increasing 36.1% since 2010
2010 census: 782,341 increasing 59.1% since 2000
2000 census: 491,675

ECONOMIC BASE
Mineral: Insignificant.

Industry: wholesale center, retail/service, manufacturing plants and government.

Agricultural: wheat, nurseries, hay, grain sorghum, corn and cattle.

EMPLOYMENT DATA (Texas Workforce Commission)

	2025		2024		2023	
	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	552,249	$14.0B	535,836	$12.7B	520,270	$11.8B
2nd Q:	N/A	N/A	541,931	$11.4B	528,486	$10.4B
3rd Q:	N/A	N/A	547,728	$11.6B	529,990	$10.5B
4th Q:	N/A	N/A	557,118	$12.5B	538,791	$11.4B

Starting Q4 2021 includes Federal Data

MAJOR COLLEGES AND UNIVERSITIES: Collin County Community College District

COLLEGES AND UNIVERSITIES

Year	Total	Fall Enrollment
2024	1	38,266
2023	1	36,296
2022	1	33,728

TOP TAXPAYERS

Principal Taxpayers	2025 A.V.	% of A.V.
1. Shepherd Place Homes Inc.	$10,398,595	2.92%
Residential - Home Builder		
2. Brightland Homes LTD	5,670,771	1.59%
Residential - Home Builder		
3. Starlight Homes Texas LLC	5,178,672	1.45%
Residential - Home Builder		
4. Astoria Homes LLC	4,519,029	1.27%
Residential - Home Builder		
5. GG Liberty Ranch LP	2,193,400	0.62%
Residential - Home Builder		
6. Oncor Electric Delivery Company	1,636,800	0.46%
Utility - Electric Utility/Power Plant		
7. Rachel Papadopoules Living Trust	1,545,360	0.43%
Commercial - Retail Store		
8. AB Petroleum Inc.	1,531,182	0.43%
Mineral - Oil & Gas		
9. Tallant Rentals LLC	1,500,918	0.42%
Residential - Residential Land		
10. Meritage Homes of Texas LLC	1,440,001	0.40%
Residential - Home Builder		
	----------	-----
Total:	$35,614,728	9.99%

FINANCE CONNECTED OFFICIALS

Mayor
Jason Turney
201 S. Main St.
Josephine, TX 75173
Phone: 214-326-4908
jturney@cityofjosephinetx.com

City Administrator
Lisa Palomba
201 S. Main St.
Josephine, TX 75173
Phone: 972-694-7281
lpalomba@cityofjosephinetx.com

City Secretary
Patti Brooks
201 S. Main St.
Josephine, TX 75173
Phone: 469-717-0068
pbrooks@cityofjosephinetx.com

Finance Director
Melissa Stillwell
201 S. Main St.
Josephine, TX 75173
Phone: 469-717-0055
mstillwell@cityofjosephinetx.com

Public Works Director
Garrett Jackson
201 S. Main St.
Josephine, TX 75173
Phone: 972-730-4554
gjackson@cityofjosephinetx.com

Tax Assessor/Collector
Scott Grigg
Collin County Tax Office
2300 Bloomdale Rd.
McKinney, TX 75071
Phone: 972-547-5020
taxassessor@collincountytx.gov

Chief Appraiser
Marty Wright
Collin County Appraisal District
250 Eldorado Pkwy
McKinney, TX 75069
Phone: 469-742-9200
marty.wright@cadcollin.org

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Chief Appraiser
Brent South
Hunt County Appraisal District
4801 King St
Greenville, TX 75401-5520
Phone: 903-454-3510
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BI

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