



Willow Park

TEXAS

\$5,090,000

COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2024A

NOVEMBER 12, 2024

THE FOLLOWING RATING HAS BEEN ASSIGNED:

S&P GLOBAL

“AA”



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



(See "Continuing Disclosure Information" herein.)

PRELIMINARY OFFICIAL STATEMENT

Dated November 7, 2024

**Rating:
S&P: "AA"
(See "OTHER INFORMATION – Rating" herein)**

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein.

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

\$5,135,000*
CITY OF WILLOW PARK, TEXAS
(Parker County)
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024A

Dated Date: December 1, 2024
(Interest accrues from Delivery Date)

Due: February 15, As shown on page 2

PAYMENT TERMS. . . Interest on the \$5,135,000* City of Willow Park, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024A (the "Certificates") will accrue from the date of initial delivery provided below (the "Delivery Date") to the underwriter shown below (the "Underwriter"), will be payable February 15 and August 15 of each year commencing February 15, 2025, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the book-entry-only system described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Certificates will be made to the owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar (identified below) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE CERTIFICATES - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is UMB Bank, N.A., Dallas, Texas (see "THE CERTIFICATES - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and constitute direct obligations of the City of Willow Park, Texas (the "City"), payable from a combination of (i) the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a pledge of the surplus net revenues of the City's Waterworks and Sewer System, as provided in the ordinance authorizing the Certificates to be adopted on the date of sale of the Certificates (the "Ordinance") (see "THE CERTIFICATES- Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purpose of (i) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving water and wastewater system properties or facilities, including the acquisition of land and rights-of-way therefor, and (ii) paying the costs associated with the issuance of the Certificates (see "THE CERTIFICATES – Purpose").

CUSIP PREFIX: 971148

MATURITY SCHEDULE & 9 DIGIT CUSIP See Schedule on Page 2

LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the Underwriter and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Underwriter by its counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas.

DELIVERY . . . It is expected that the Certificates will be available for delivery through DTC on December 12, 2024.

RAYMOND JAMES

* Preliminary, subject to change.

MATURITY SCHEDULE*

\$5,135,000* COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024A

Principal Amount	Maturity (2/15)	Interest Rate	Initial Yield	CUSIP ⁽¹⁾	Principal Amount	Maturity (2/15)	Interest Rate	Initial Yield	CUSIP ⁽¹⁾
\$ 100,000	2027				\$ 170,000	2041			
100,000	2028				180,000	2042			
105,000	2029				185,000	2043			
115,000	2030				200,000	2044			
120,000	2031				205,000	2045			
120,000	2032				215,000	2046			
130,000	2033				230,000	2047			
135,000	2034				235,000	2048			
135,000	2035				250,000	2049			
145,000	2036				265,000	2050			
150,000	2037				270,000	2051			
150,000	2038				285,000	2052			
160,000	2039				300,000	2053			
165,000	2040				315,000	2054			

(Interest to accrue from Delivery Date)

OPTIONAL REDEMPTION OF THE CERTIFICATES . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE CERTIFICATES - Optional Redemption”). Additionally, the Certificates will be subject to mandatory sinking fund redemption if the Underwriter elects to combine two or more of the serial maturities identified above into one or more term certificates.

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by FactSet Research System Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for convenience of reference only. None of the City, the Financial Advisor, or the Underwriter take any responsibility for the accuracy of such numbers.

* Preliminary, subject to change.

SOURCES AND USES OF FUNDS

Combination Tax & Revenue Certificates of Obligation, Series 2024A
Final Numbers

Dated Date 12/12/2024
Delivery Date 12/12/2024

Sources:	Combination Tax and Revenue Certificates of Obligation, Series 2024A - Wastewater Portion	Combination Tax and Revenue Certificates of Obligation, Series 2024A - Water Portion	Total
Bond Proceeds:			
Par Amount	3,565,000.00	1,525,000.00	5,090,000.00
Net Premium	36,941.90	16,438.20	53,380.10
	<u>3,601,941.90</u>	<u>1,541,438.20</u>	<u>5,143,380.10</u>
Uses:			
Project Fund Deposits:			
Project Fund	3,500,000.00	1,500,000.00	5,000,000.00
Delivery Date Expenses:			
Cost of Issuance	70,039.29	29,960.71	100,000.00
Underwriter's Discount	<u>28,552.20</u>	<u>12,213.07</u>	<u>40,765.27</u>
	98,591.49	42,173.78	140,765.27
Other Uses of Funds:			
Additional Proceeds	3,350.41	(735.58)	2,614.83
	<u>3,601,941.90</u>	<u>1,541,438.20</u>	<u>5,143,380.10</u>

True Interest Cost: 4.262%

BOND DEBT SERVICE

Combination Tax & Revenue Certificates of Obligation, Series 2024A
Final Numbers

Period Ending	Principal	Interest	Debt Service
09/30/2025		150,208.60	150,208.60
09/30/2026		222,531.26	222,531.26
09/30/2027		222,531.26	222,531.26
09/30/2028	100,000	220,031.26	320,031.26
09/30/2029	100,000	215,031.26	315,031.26
09/30/2030	105,000	209,906.26	314,906.26
09/30/2031	115,000	204,406.26	319,406.26
09/30/2032	120,000	198,531.26	318,531.26
09/30/2033	130,000	192,281.26	322,281.26
09/30/2034	130,000	185,781.26	315,781.26
09/30/2035	135,000	179,156.26	314,156.26
09/30/2036	145,000	172,156.26	317,156.26
09/30/2037	150,000	164,781.26	314,781.26
09/30/2038	160,000	157,031.26	317,031.26
09/30/2039	170,000	149,631.26	319,631.26
09/30/2040	170,000	142,831.26	312,831.26
09/30/2041	180,000	135,831.26	315,831.26
09/30/2042	185,000	128,531.26	313,531.26
09/30/2043	200,000	120,831.26	320,831.26
09/30/2044	205,000	112,731.26	317,731.26
09/30/2045	215,000	104,196.88	319,196.88
09/30/2046	220,000	95,225.01	315,225.01
09/30/2047	230,000	85,943.77	315,943.77
09/30/2048	240,000	76,250.02	316,250.02
09/30/2049	250,000	66,143.76	316,143.76
09/30/2050	265,000	55,356.25	320,356.25
09/30/2051	270,000	43,987.50	313,987.50
09/30/2052	285,000	32,193.75	317,193.75
09/30/2053	300,000	19,762.50	319,762.50
09/30/2054	315,000	6,693.75	321,693.75
	5,090,000	4,070,505.73	9,160,505.73

BOND PRICING

Combination Tax & Revenue Certificates of Obligation, Series 2024A
Final Numbers

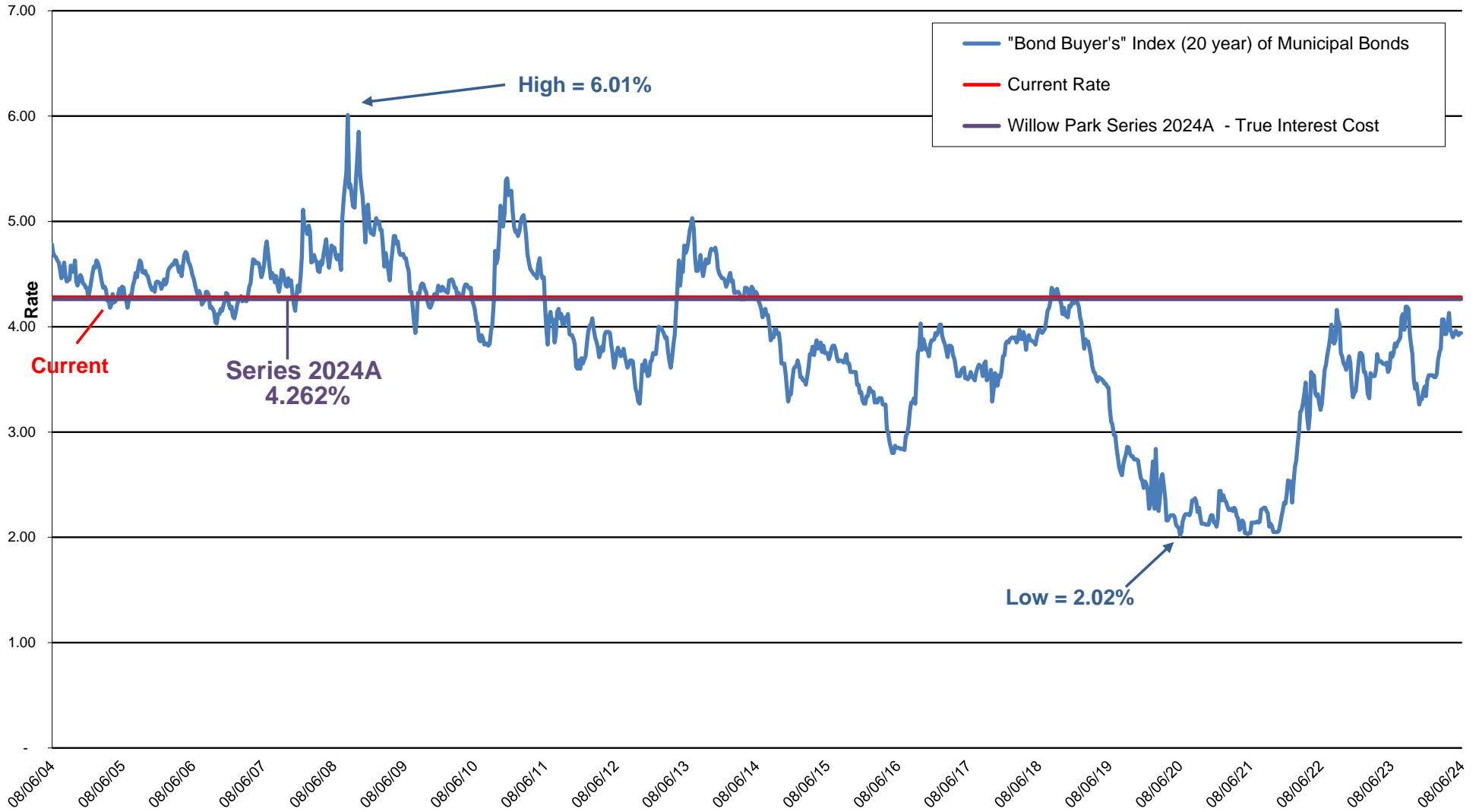
Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Serial Bond:										
	02/15/2028	100,000	5.000%	2.980%	106.072				6,072.00	2.500
	02/15/2029	100,000	5.000%	3.030%	107.667				7,667.00	2.500
	02/15/2030	105,000	5.000%	3.080%	109.115				9,570.75	3.750
	02/15/2031	115,000	5.000%	3.170%	110.185				11,712.75	3.750
	02/15/2032	120,000	5.000%	3.240%	111.182				13,418.40	3.750
	02/15/2033	130,000	5.000%	3.320%	111.937				15,518.10	3.750
	02/15/2034	130,000	5.000%	3.380%	111.482 C	3.524%	02/15/2033	100.000	14,926.60	3.750
		<u>800,000</u>							<u>78,885.60</u>	
Term Bond 2036:										
	02/15/2035	135,000	5.000%	3.500%	110.579 C	3.827%	02/15/2033	100.000	14,281.65	5.000
	02/15/2036	145,000	5.000%	3.500%	110.579 C	3.827%	02/15/2033	100.000	15,339.55	5.000
		<u>280,000</u>							<u>29,621.20</u>	
Term Bond 2038:										
	02/15/2037	150,000	5.000%	3.620%	109.685 C	4.044%	02/15/2033	100.000	14,527.50	5.000
	02/15/2038	160,000	5.000%	3.620%	109.685 C	4.044%	02/15/2033	100.000	15,496.00	5.000
		<u>310,000</u>							<u>30,023.50</u>	
Term Bond 2040:										
	02/15/2039	170,000	4.000%	4.000%	100.000					5.000
	02/15/2040	170,000	4.000%	4.000%	100.000					5.000
		<u>340,000</u>								
Term Bond 2042:										
	02/15/2041	180,000	4.000%	4.140%	98.286				(3,085.20)	5.000
	02/15/2042	185,000	4.000%	4.140%	98.286				(3,170.90)	5.000
		<u>365,000</u>							<u>(6,256.10)</u>	
Term Bond 2044:										
	02/15/2043	200,000	4.000%	4.200%	97.379				(5,242.00)	5.000
	02/15/2044	205,000	4.000%	4.200%	97.379				(5,373.05)	5.000
		<u>405,000</u>							<u>(10,615.05)</u>	
Term Bond 2049:										
	02/15/2045	215,000	4.125%	4.330%	96.941				(6,576.85)	5.000
	02/15/2046	220,000	4.125%	4.330%	96.941				(6,729.80)	5.000
	02/15/2047	230,000	4.125%	4.330%	96.941				(7,035.70)	5.000
	02/15/2048	240,000	4.125%	4.330%	96.941				(7,341.60)	5.000
	02/15/2049	250,000	4.125%	4.330%	96.941				(7,647.50)	5.000
		<u>1,155,000</u>							<u>(35,331.45)</u>	
Term Bond 2054:										
	02/15/2050	265,000	4.250%	4.390%	97.704				(6,084.40)	5.000
	02/15/2051	270,000	4.250%	4.390%	97.704				(6,199.20)	5.000
	02/15/2052	285,000	4.250%	4.390%	97.704				(6,543.60)	5.000
	02/15/2053	300,000	4.250%	4.390%	97.704				(6,888.00)	5.000
	02/15/2054	315,000	4.250%	4.390%	97.704				(7,232.40)	5.000
		<u>1,435,000</u>							<u>(32,947.60)</u>	
		<u>5,090,000</u>							<u>53,380.10</u>	

BOND PRICING

Combination Tax & Revenue Certificates of Obligation, Series 2024A
Final Numbers

Dated Date	12/12/2024	
Delivery Date	12/12/2024	
First Coupon	02/15/2025	
Par Amount	5,090,000.00	
Premium	53,380.10	
	<hr/>	
Production	5,143,380.10	101.048725%
Underwriter's Discount	(40,765.27)	(0.800889%)
	<hr/>	
Purchase Price	5,102,614.83	100.247836%
Accrued Interest		
	<hr/>	
Net Proceeds	5,102,614.83	

City of Willow Park Combination Tax and Revenue Certificates of Obligation, Series 2024A



HILLTOP "Bond Buyer's" Index of 20 Municipal Bonds Basis Valuation of Par Bonds

The most important guide as to what the Municipal Bond Market has done in one time period versus another is the "Bond Buyer's" 20 Bond Index. Published on Thursday of each week, it is the accepted guide of the Municipal Bond Industry to determine trends and movements of interest rates in the market. To compute the index each week a poll is taken of several large investment banking houses on the 20 year price (expressed in terms of an interest rate) of the outstanding bonds of certain municipalities.

	<u>Week</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
January	1	4.31	5.08	3.83	3.68	4.75	3.42	3.45	3.78	3.44	4.09	2.73	2.17	2.12	3.66	3.31
	2	4.31	5.39	3.62	3.60	4.68	3.29	3.45	3.72	3.54	4.20	2.63	2.21	2.19	3.45	3.31
	3	4.30	5.41	3.60	3.53	4.55	3.36	3.37	3.83	3.52	4.19	2.56	2.21	2.25	3.33	3.39
	4	4.39	5.25	3.68	3.54	4.50	3.36	3.38	3.87	3.59	4.23	2.54	2.14	2.33	3.37	3.43
	5				3.67	4.48					4.22	2.47				
February	1	4.36	5.25	3.60	3.68	4.46	3.49	3.30	3.87	3.72	4.23	2.53	2.14	2.32	3.39	3.34
	2	4.34	5.29	3.70	3.72	4.46	3.60	3.27	3.88	3.73	4.24	2.51	2.10	2.41	3.51	3.49
	3	4.38	5.10	3.65	3.74	4.44	3.62	3.27	3.94	3.84	4.23	2.46	2.17	2.54	3.65	3.54
	4	4.36	4.95	3.69	3.74	4.38	3.62	3.34	3.92	3.86	4.19	2.27	2.44	2.51	3.75	3.54
	5															
March	1	4.34	4.90	3.72	3.86	4.41	3.68	3.34	3.95	3.85	4.09	2.31	2.44	2.53	3.75	3.54
	2	4.33	4.91	3.84	4.00	4.47	3.62	3.42	4.02	3.88	4.04	2.57	2.35	2.33	3.73	3.52
	3	4.32	4.86	3.95	3.99	4.51	3.52	3.40	4.02	3.89	3.92	2.72	2.40	2.53	3.57	3.52
	4	4.44	4.91	4.01	3.99	4.43	3.52	3.38	3.91	3.90	3.79	2.27	2.35	2.67	3.57	3.55
	5	4.44	5.00	4.02				3.38	3.86	3.89				2.73	3.50	3.58
April	1	4.45	5.04	4.08	3.96	4.44	3.49	3.28	3.83	3.90	3.88	2.84	2.34	2.87	3.36	3.68
	2	4.43	5.06	3.97	3.93	4.32	3.49	3.30	3.77	3.85	3.85	2.49	2.30	3.01	3.32	3.76
	3	4.37	4.98	3.90	3.89	4.32	3.45	3.28	3.71	3.87	3.86	2.25	2.26	3.19	3.56	3.79
	4	4.37	4.86	3.86	3.90	4.33	3.52	3.32	3.82	3.97	3.79	2.36	2.26	3.21	3.53	4.07
	5						3.62					2.56	2.27			
May	1	4.29	4.69	3.81	3.77	4.33	3.74	3.32	3.82	3.89	3.73	2.60	2.25	3.27	3.53	4.07
	2	4.32	4.61	3.71	3.67	4.31	3.74	3.32	3.81	3.88	3.63	2.48	2.28	3.37	3.53	3.93
	3	4.27	4.55	3.75	3.61	4.26	3.81	3.26	3.73	3.95	3.57	2.37	2.26	3.47	3.59	3.93
	4	4.28	4.53	3.81	3.70	4.28	3.73	3.26	3.69	3.90	3.56	2.16	2.20	3.16	3.74	4.00
	5			3.77	3.84	4.26				3.78	3.51					4.13
June	1	4.28	4.51	3.92	3.93	4.37	3.81	3.26	3.61	3.88	3.48	2.16	2.18	3.03	3.67	3.97
	2	4.37	4.49	3.95	4.16	4.37	3.87	3.03	3.53	3.92	3.52	2.19	2.07	3.16	3.67	3.94
	3	4.40	4.49	3.95	4.37	4.36	3.79	2.99	3.53	3.87	3.51	2.21	2.09	3.57	3.67	3.90
	4	4.40	4.46	3.95	4.63	4.29	3.80	2.90	3.53	3.87	3.50	2.21	2.16	3.54	3.65	3.93
	5		4.59						3.58					3.54	3.65	
July	1	4.38	4.65	3.94	4.39	4.31	3.85	2.85	3.60	3.86	3.49	2.21	2.14	3.37	3.64	3.96
	2	4.36	4.51	3.83	4.55	4.38	3.76	2.80	3.61	3.85	3.46	2.19	2.04	3.34	3.66	3.94
	3	4.37	4.46	3.75	4.52	4.36	3.82	2.80	3.51	3.83	3.46	2.12	2.04	3.36	3.57	3.92
	4	4.26	4.47	3.61	4.77	4.29	3.75	2.87	3.52	3.90	3.43	2.10	2.03	3.27	3.60	3.94
	5	4.21			4.33	3.75	2.85					2.09	2.04			
August	1	4.16	4.19	3.66	4.70	4.31	3.75	2.85	3.50	3.95	3.42	2.02	2.04	3.21	3.75	3.94
	2	4.06	3.97	3.75	4.73	4.24	3.69	2.85	3.52	3.98	3.22	2.05	2.14	3.27	3.71	3.85
	3	4.03	3.83	3.80	4.80	4.21	3.73	2.84	3.57	3.95	3.10	2.15	2.14	3.44	3.75	3.88
	4	3.88	4.09	3.76	4.91	4.17	3.79	2.84	3.53	3.94	3.07	2.20	2.14	3.59	3.84	3.88
	5			3.72	4.96				3.51	3.96	2.97				3.81	3.87
September	1	3.86	4.14	3.73	5.03	4.09	3.82	2.84	3.49	3.98	2.97	2.22	2.14	3.64	3.85	3.86
	2	3.92	4.05	3.79	4.93	4.14	3.82	2.83	3.56	4.06	2.85	2.22	2.15	3.73	3.87	3.83
	3	3.89	4.07	3.72	4.66	4.17	3.78	2.96	3.60	4.15	2.76	2.22	2.14	3.81	3.90	3.81
	4	3.83	3.85	3.67	4.53	4.11	3.71	2.98	3.64	4.18	2.66	2.21	2.15	3.89	4.09	3.81
	5	3.84	3.93					3.06					2.26	4.02		
October	1	3.84	4.14	3.61	4.53	4.11	3.67	3.20	3.63	4.24	2.62	2.25	2.27	3.86	4.12	3.74
	2	3.82	4.17	3.64	4.57	4.01	3.68	3.28	3.61	4.37	2.59	2.35	2.28	3.84	3.97	3.91
	3	3.84	4.08	3.68	4.68	3.87	3.68	3.28	3.53	4.35	2.70	2.35	2.28	3.87	4.19	3.92
	4	3.96	4.12	3.68	4.56	3.90	3.67	3.32	3.65	4.30	2.75	2.37	2.25	4.16	4.19	4.18
	5				4.48	3.90	3.66					2.79	2.34			4.16
November	1	4.02	4.02	3.67	4.56	3.98	3.69	3.27	3.67	4.33	2.86	2.24	2.23	4.06	4.17	4.28
	2	4.24	4.02	3.55	4.64	3.98	3.74	3.52	3.49	4.36	2.85	2.28	2.10	4.02	3.93	
	3	4.72	4.09	3.41	4.60	3.93	3.65	3.75	3.52	4.30	2.79	2.19	2.13	3.75	3.83	
	4	4.60	4.07	3.37	4.61	3.94	3.65	3.80	3.51	4.26	2.77	2.13	2.11	3.72	3.74	
	5			3.29					3.59	4.22					3.49	
December	1	4.65	4.12	3.27	4.70	3.83	3.57	4.03	3.29	4.12	2.77	2.13	2.05	3.65	3.41	
	2	4.86	3.93	3.44	4.74	3.65	3.57	3.78	3.41	4.18	2.74	2.13	2.05	3.63	3.46	
	3	5.15	3.92	3.64	4.73	3.65	3.57	3.88	3.56	4.11	2.74	2.12	2.05	3.59	3.37	
	4	5.00	3.92	3.58	4.73	3.65	3.57	3.83	3.44	4.10	2.74	2.12	2.05	3.66	3.26	
	5	4.95	3.88			3.56	3.57	3.78				2.12	2.06	3.72		

RatingsDirect®

Summary:

Willow Park, Texas; General Obligation

Primary Credit Analyst:

Derrick Rayford, Chicago (1) 312-233-7147; derrick.rayford@spglobal.com

Secondary Contact:

Sam Krouse, Austin (1) 214-871-1409; sam.krouse@spglobal.com

Table Of Contents

Credit Highlights

Outlook

Summary:

Willow Park, Texas; General Obligation

Credit Profile

US\$5.135 mil combination tax and rev certs of oblig ser 2024A dtd 12/01/2024 due 02/15/2054

<i>Long Term Rating</i>	AA/Stable	New
-------------------------	-----------	-----

Willow Park combination tax and rev certs of oblig ser 2022A dtd 08/15/2022 due 02/15/2042

<i>Long Term Rating</i>	AA/Stable	Affirmed
-------------------------	-----------	----------

Willow Pk GO

<i>Long Term Rating</i>	AA/Stable	Affirmed
-------------------------	-----------	----------

Willow Pk GO

<i>Long Term Rating</i>	AA/Stable	Affirmed
-------------------------	-----------	----------

Credit Highlights

- S&P Global Ratings assigned its 'AA' long-term rating to Willow Park, Texas' approximately \$5.14 million series 2024A combination tax and revenue certificates of obligation (COs) based on the application of its criteria, "Methodology For Rating U.S. Governments," published Sept. 9, 2024, on RatingsDirect.
- At the same time, S&P Global Ratings affirmed its 'AA' long-term rating on the city's general obligation (GO) bonds and COs outstanding.
- The outlook is stable.

Security

Willow Park's GO bonds and COs constitute direct obligations of the city, payable from the proceeds of a continuing, direct annual ad valorem tax, within the limits prescribed by law, on all taxable property within its borders.

A limited pledge, not to exceed \$1,000, of the city's combined utility system revenue also secures the certificates.

The maximum allowable ad valorem tax rate in Texas is \$2.50 per \$100 of assessed value (AV) for all purposes, with the portion dedicated to debt service limited to \$1.50. The city's total tax rate is well below the maximum allowable at 43.25 cents per \$100 of AV, of which 22.92 cents is dedicated to debt service. We rate the limited-tax GO debt pledge as on par with the issuer credit rating, which is based on the city's general creditworthiness. The city does not levy ad valorem taxes on a narrower or distinctly different tax base and there are no limitations on the fungibility of resources available for the payment of debt service.

Proceeds from the certificates will fund the cost of constructing, acquiring, renovating, enlarging, equipping, or improving water and wastewater system properties and facilities.

Credit overview

The rating reflects our view of Willow Park's rapidly growing tax base, above-average wealth and income indicators, and healthy reserves. Somewhat offsetting these strengths, in our view, is its elevated debt-and-liabilities profile.

Willow Park participates in the broad and diverse Dallas-Fort Worth-Arlington metropolitan statistical area (MSA). It is one of the fastest-growing cities in Texas and functions primarily as a bedroom community for Fort Worth, 13 miles to the east. Its substantial growth is mainly attributable to spillover from Fort Worth, as exemplified by a new development project that will include approximately 800 multifamily units in a recently annexed tract.

The city's main revenue sources are sales taxes and property taxes, which account for 37% and 32% of revenues, respectively. In fiscal 2023, officials reported a deficit of \$1.68 million (or 28.2% of general fund revenue), primarily driven by a one-time capital expenditure. Management estimates that fiscal 2024 will produce an operating surplus and, for fiscal 2025, is projecting balanced results. Although the city's sales tax growth is beginning to plateau owing to inflationary pressures, we expect sales taxes will remain a strong revenue source supporting healthy reserves given the area's rapid growth and availability of higher-paying jobs.

The city has experienced substantial growth in its property tax base, which has supported its sizeable debt burden and ongoing fiscal demands. Officials anticipate continued residential development, both single and multifamily, within the next couple of years. However, given the city's elevated debt burden, we believe there is limited rating upside over the outlook period.

Credit fundamentals supporting the 'AA' rating include:

- Per capita gross county product for Parker County, in which Willow Park is located, is 46.8% of the U.S. level, below 'AA' medians'. However, the county's per capita personal income is 105.3% of the U.S. level, and local median household effective buying income of 119.5% of the U.S. level compares favorably to peers.
- Positive operating results, as evident by operating surpluses in three of the last five fiscal years. The city expects a slight surplus for fiscal 2024 and has adopted a balanced budget for fiscal 2025, signaling further operational stability.
- Reserves are supported by the city's formal reserve policy of 75 days (20.8%) of general fund revenue, which management plans to maintain as the city's budget grows.
- The city has an elevated debt profile that we expect to begin to moderate owing to an absence of additional debt plans. We do not expect the city's debt profile to materially worsen over the outlook period.
- We expect per capita net pension liabilities will change little in the near term, particularly as the city takes part in the Teacher Retirement System (TRS) program and the Texas Public School Retired Employees' Group Insurance program (TRS-Care), for which the state pays a sizeable share of the employer contribution; the city has minimal exposure to pension and other postemployment benefits (OPEB) liabilities.
- Conservative budgetary practices, including the use of comprehensive data from the most recent fiscal year as well as input from outside sources; regular budget and investment reporting to board; and a formal reserve policy to maintain at least 75 days of annual budgeted expenditures; the city is currently well above this target. However, it lacks long-term financial plans and a debt-management policy.
- For more information on our institutional framework assessment for Texas municipalities, see "Institutional Framework Assessment: Texas Local Governments," published Sept. 9, 2024.

Environmental, social, and governance

We assessed the city's environmental, social, and governance factors relative to its economy, management, financial measures, and debt-and-liability profile, and view them all as neutral considerations in our credit analysis. We believe rapid population growth is an opportunity to improve the economic fundamentals of the city, although at the same time it creates operating pressures from increased service demands and significant need for continued capital investment.

Outlook

The stable outlook reflects our expectation that Willow Park will continue to have sustained growth, balanced budgetary operations, and robust reserves over the outlook period.

Downside scenario

We could lower the rating if the city's budgetary performance weakens, causing declines in its reserve position.

Upside scenario

Assuming all other credit factors remain equal, we could raise the rating if the city's economic indicators improve to levels commensurate with those of higher-rated peers, its debt burden moderates substantially, and management adopts formal long-term capital planning.

Table 1

Willow Park, Texas--Credit summary	
Institutional framework (IF)	1
Individual credit profile (ICP)	2.45
Economy	2.5
Financial performance	1
Reserves and liquidity	1
Debt and liabilities	4.75
Management	3.00

Table 2

Willow Park, Texas--Key credit metrics				
	Most recent	2023	2022	2021
Economy				
GCP per capita % of U.S.	47	--	47	47
County PCPI % of U.S.	105	--	105	104
Market value (\$000s)	1,023,767	792,295	741,818	651,027
Market value per capita (\$)	179,734	164,993	154,481	137,725
Top 10 taxpayers % of taxable value	17	17	17	14
County unemployment rate (%)	3.4	3.4	3.3	4.4
Local median household EBI % of U.S.	148	165	161	160
Local per capita EBI % of U.S.	129	137	137	146
Local population	5,696	5,696	4,802	4,727

Table 2

Willow Park, Texas--Key credit metrics (cont.)				
Financial performance				
Operating fund revenues (\$000s)	--	5,968	5,432	4,726
Operating fund expenditures (\$000s)	--	15,953	4,634	4,469
Net transfers and other adjustments (\$000s)	--	8,300	4,411	35
Operating result (\$000s)	--	(1,685)	5,209	292
Operating result % of revenues	--	(28.2)	95.9	6.2
Operating result three-year average %	--	24.6	32.2	1.6
Reserves and liquidity				
Available reserves % of operating revenues	--	75.8	41.1	26.1
Available reserves (\$000s)	--	4,526	2,231	1,235
Debt and liabilities				
Debt service cost % of revenues	26.1	26.1	22.8	25.8
Net direct debt per capita (\$)	10,999	10,999	12,105	10,815
Net direct debt (\$000s)	62,652	62,652	58,130	51,121
Direct debt 10-year amortization (%)	--	--	--	--
Pension and OPEB cost % of revenues	3	3	3	3
Net pension liabilities per capita (\$)	49	49	--	33
Combined net pension liabilities (\$000s)	281	281	--	156

GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits.

Ratings Detail (As Of November 5, 2024)

Willow Park combination tax & rev certs of oblig

Long Term Rating

AA/Stable

Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.