

****PUBLIC NOTICE****



CITY COUNCIL WORKSHOP AND REGULAR SESSION

Thursday, March 19, 2026 at 5:45 PM

City Hall | 3300 Corinth Parkway

View live stream: <https://www.corinthtx.gov/remotesession>

Pursuant to section 551.127, Texas Government Code, one or more council members or employees may attend this meeting remotely using videoconferencing technology.

- A. NOTICE IS HEREBY GIVEN** of a Workshop Session and Regular Meeting of the Corinth City Council.
- B. CALL TO ORDER**
- C. WORKSHOP AGENDA**
 - [1.](#) Receive a presentation and hold a discussion regarding the scheduled purchase and delivery of fire apparatus.
 - [2.](#) Receive a report and hold a discussion on a one-year review period, and provide staff directions regarding renewing a service agreement with Flock Safety.
 - [3.](#) Receive a presentation, hold a discussion, and give staff direction on the cost of service and rate design study for the City’s Stormwater utility.
 - 4. Discuss items on the Regular Session Agenda, including the consideration of Executive Session items.
- D. ADJOURN WORKSHOP**
- E. CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE**
- F. CITIZENS COMMENTS**

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.
- G. CONSENT AGENDA**

All matters listed under the consent agenda are considered to be routine and will be enacted in one motion. Should the Mayor or a Council Member desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

 - [1.](#) Consider and act on minutes from the March 5, 2026, City Council Meeting.
 - [2.](#) Consider and act on the Investment policy for the City of Corinth, Economic Development Corporation, Fire Control, Prevention and Emergency Services District and the Crime Control & Prevention District.
- H. BUSINESS AGENDA**
 - [3.](#) Hold a presentation, discuss and take appropriate action to accept the annual external audit and the Annual Comprehensive Financial Report presented by Eide Bailly, LLP.

- 4. Consider and act on an Ordinance of the City of Corinth approving an amendment to the fiscal year 2025-2026 budget and annual program of services to allocate funds necessary for facility improvements; and providing an effective date.
- 5. Consider and act on Contract 2026-1023 with Palomar Modular Buildings, LLC, through The Interlocal Purchasing System (TIPS) Cooperative Contract #230902, for the purchase and installation of a 42' x 72' modular office building for Public Works staff in the amount not to exceed \$294,689 and authorize the City Manager to execute the necessary documents.

I. COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

J. EXECUTIVE SESSION**

In accordance with Chapter 551, Texas Government Code, Section 551.001, et seq., (the “Texas Open Meetings Act”), the City Council will recess into Executive Session (closed meeting) to discuss the following items. Any necessary final action or vote will be taken in public by the City Council in accordance with this agenda.

Section 551.087 - Economic Development. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business project.

- a. 5700 block of I-35E.

K. RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS

L. ADJOURN

**The City Council reserves the right to recess into closed session at any time during the course of this meeting to discuss any of the matters posted on this agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Section 551.071, "Consultation with Attorney" for the purpose of receiving legal advice.

M. TAXPAYER IMPACT STATEMENT

Taxpayer Impact Statement			
Property Tax Due on Median Valued Homestead			
2024 Rate vs 2025 Proposed Rate vs 2025 No New Revenue Rate			
	Rate per \$100 of Value	Median-Valued Homestead Property	Tax Due
2024 Adopted Rate	0.514000	\$415,573	\$2,136
2025 Proposed Rate	0.560890		\$2,331
2025 No New Revenue Rate	0.631019		\$2,622

Posted on this 12th day of March 2026, at 5:00 P.M., on the bulletin board at Corinth City Hall.

Lana Wylie

Lana Wylie
City Secretary
City of Corinth, Texas



CITY OF CORINTH Staff Report

Meeting Date:	3/12/2020	Title:	Workshop Fire Apparatus Purchase
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission		

Item/Caption

Receive a presentation and hold a discussion regarding the scheduled purchase and delivery of fire apparatus.

Item Summary/Background/Prior Action

As discussed during the September 2nd, 2025 Council meeting, the Fire Capital Replacement Fund budget for FY2025-2026 includes the purchase of a new fire engine pursuant to the City’s capital replacement schedule. Staff will present updates to the Council on the anticipated cost, schedule, and delivery of the apparatus.



CITY OF CORINTH Staff Report

Meeting Date:	3/19/2026	Title:	Workshop Flock Safety
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input checked="" type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission		

Item/Caption

Receive a report and hold a discussion on a one-year review period, and provide staff directions regarding renewing a service agreement with Flock Safety.

Item Summary/Background/Prior Action

The City of Corinth entered a contract in May 2025 with Flock Safety for the installation of license plate reader cameras along roadways within the city and one security camera at the Agora. This was a one-year agreement intended to evaluate whether this system provides operational and public safety benefits for the City of Corinth. As part of the review process of this initial period, we will:

- Evaluate the operational effectiveness of the Flock Safety cameras based on qualitative and quantitative data and findings during this period.
- Assess system performance, investigative value, and contribution to public safety outcomes.
- Identify community concerns, questions, and common misunderstandings regarding the Flock Safety system.
- Consider next steps regarding continued use or adjustments.

Financial Impact

The recurring annual cost to continue operation and subscription to the system would be \$66,000.

Staff Recommendation/Motion

This is presented as an informational item.



CITY OF CORINTH
Staff Report

Meeting Date:	3/19/2026	Title: Workshop Stormwater Rate Study
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission	

Item/Caption

Receive a presentation, hold a discussion, and give staff direction on the cost of service and rate design study for the City’s Stormwater utility.

Item Summary/Background/Prior Action

On September 2, 2004, the City Council established a Stormwater Utility in accordance with the Local Government Code, including the adoption of storm drainage fees. The 2004 ordinance set an initial fee of \$3.00 per month, with annual increases of \$0.50 over four years. The Fiscal Year 2008-09 budget implemented the final increase, bringing the fee to \$5.00 per month effective October 1, 2008. In 2011, a review determined that revenues from the storm drainage fee were insufficient to cover expenditures, resulting in an increase to \$6.00 per month.

To ensure the stormwater utility remains financially sustainable, the City periodically conducts a cost of service and rate design study. The purpose of the study is to establish a fee structure that provides equitable and sufficient revenues to support operations, maintenance, capital improvements, and compliance with any bond or regulatory obligations. The analysis also considers the economic impact on the City’s customers and ensures the utility operates on a self-sustaining basis. The most recent study assessed revenue needs over a three-year period, beginning with fiscal year 2026-2027.

Staff Recommendation/Motion

N/A



CITY OF CORINTH
Staff Report

Meeting Date:	3/19/2026	Title: Minutes Approval of Meeting Minutes
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission	

Item/Caption

Consider and act on minutes from the March 5, 2026, City Council Meeting.

Item Summary/Background/Prior Action

Attached are the minutes, in draft form, and are not considered official until formally approved by the City Council.

Staff Recommendation/Motion

Staff recommends approval of the minutes.



CITY COUNCIL WORKSHOP AND REGULAR SESSION

Thursday, March 05, 2026 at 5:45 PM

City Hall | 3300 Corinth Parkway

View live stream: <https://www.corinthtx.gov/city-council/page/city-council-workshop-and-regular-session-121>

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this, the 5th day of March 2026, the City Council of the City of Corinth, Texas, met at Corinth City Hall at 5:45 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place, and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Council Members:

- Bill Heidemann, Mayor
- Sam Burke, Mayor Pro Tem
- Scott Garber, Council Member
- Lindsey Rayl, Council Member
- Tina Henderson, Council Member
- Kelly Pickens, Council Member

Staff Members Present:

- Scott Campbell, City Manager
- Lana Wylie, City Secretary
- Patricia Adams, City Attorney
- Chad Thiessen, Fire Chief
- Wendell Mitchell, Police Chief
- Lee Ann Bunselmeyer, Director of Finance, Communications & Strategic Services
- Glenn Barker, Director of Public Works
- Melissa Dailey, Director of Community & Economic Development
- Caroline Seward, Director of Parks & Recreation
- Melissa Dolan, Parks, Recreation & Strategic Asset Manager
- Brenton Copeland, Chief Technology Officer
- Presley Sequeira, Technology Services Project Manager
- Derek Dunnam, Network Administrator
- Lance Stacy, City Marshal

CALL TO ORDER

Mayor Heidemann called the Workshop Session to order at 5:45 P.M.

WORKSHOP AGENDA

1. Receive a report and hold a discussion on the Corinth Community Park Master Plan.

The item was presented and discussed.
2. Conduct a workshop to discuss the relocation of the public works facility.

The item was presented and discussed.

- 3. Discuss items on the Regular Session Agenda, including the consideration of Executive Session items.

No items for the Regular Meeting Agenda were discussed.

ADJOURN WORKSHOP

Mayor Heidemann adjourned the Workshop Session at 6:23 P.M.

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE

Mayor Heidemann called the Regular Session Meeting to order at 6:29 P.M.

CITIZENS COMMENTS

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.

No citizens spoke during Citizen Comments.

CONSENT AGENDA

All matters listed under the consent agenda are considered to be routine and will be enacted in one motion. Should the Mayor or a Council Member desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

- 1. Consider and act on minutes from the February 19, 2026, City Council Meeting.
- 2. Consider and act on a Resolution approving the appointment of one County Director and approving nominations of the County for two additional County Directors and appointing those nominees to the Board of Directors of Corinth TIRZ No. 2.

Motion made by Council Member Garber: I move to approve the Consent Agenda. Seconded by Mayor Pro Tem Burke.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Rayl, Council Member Henderson, Council Member Pickens

PUBLIC HEARING

- 3. Conduct a Public Hearing to consider testimony and act on an Ordinance on a city-initiated request to amend Subsection 3.05.16.A –Drainage and Storm Water of the Unified Development Code to establish a required conservation pool water level for retention ponds.

Mayor Heidemann opened the Public Hearing at 6:31 P.M.

Motion made by Mayor Pro Tem Burke: I move to continue the Public Hearing to the April 2nd City Council Meeting at 6:30 P.M. Seconded by Council Member Pickens.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Rayl, Council Member Henderson, Council Member Pickens

BUSINESS AGENDA

- 4. Consider and act on an Impact Fee Reimbursement Agreement between the City of Corinth and Tri Pointe Homes DFW, LLC, for wastewater infrastructure improvements serving the Enclave and Canyon Lake (Long Lake) developments within the Upper Trinity West Service Area.

Motion made by Council Member Garber: I move to approve the Impact Fee Reimbursement Agreement with Tri Pointe Homes DFW, LLC, authorizing the developer to construct the wastewater improvements and receive wastewater impact fee offsets and reimbursement consistent with the City’s adopted Impact Fee Ordinance. Seconded by Mayor Pro Tem Burke.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Rayl, Council Member Henderson, Council Member Pickens

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

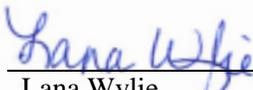
The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

Council Member Rayl
 Council Member Henderson
 Council Member Pickens
 Mayor Heidemann

ADJOURN

Mayor Heidemann adjourned the meeting at 6:45 P.M.

Approved by the Council on the _____ day of _____ 2026.



 Lana Wylie
 City Secretary
 City of Corinth, Texas



CITY OF CORINTH
Staff Report

Meeting Date:	3/19/2026	Title:	Investment Policy
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input checked="" type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission The Finance Audit Committee recommended the investment policy be forwarded to the City Council for approval.		

Item/Caption

Consider and act on the Investment policy for the City of Corinth, Economic Development Corporation, Fire Control, Prevention and Emergency Services District and the Crime Control & Prevention District.

Item Summary/Background/Prior Action

The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Staff does not have any proposed changes.

Applicable Policy/Ordinance

In accordance with the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds.

Staff Recommendation/Motion

Staff recommends approval of the Investment Policy as presented.

**CITY OF CORINTH, TEXAS
RESOLUTION NO. 26-03-19-XX**

**A RESOLUTION REVIEWING AND APPROVING
INVESTMENT POLICY FOR FUNDS FOR THE CITY OF
CORINTH; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, in accordance with Section 2256.005(e) of Chapter 2256 of the Texas Government Code, the City Council has reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, ("Chapter 2256") and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, THAT:

SECTION 1. That the City Council has reviewed the attached Investment Policy, which contain the investment strategies and policies, and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 19th day of March 2026.

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia A. Adams, City Attorney

**CITY OF CORINTH, TEXAS
INVESTMENT POLICY**

PREFACE

It is the policy of the City of Corinth (the "City") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The City will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the City of Corinth, Economic Development Corporation, Crime Control & Prevention District and the Fire Control, Prevention and Emergency Services District in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the City and includes the following separately invested funds or fund types: Operating, Reserve, Bond, Special and Capital Project Funds and any other funds which have been contractually delegated to the City for management purposes. The City may add or delete funds as may be required by law, or for proper accounting procedures. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. In addition to this policy, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

The investment policy shall govern the investment of all financial assets considered to be part of the Corinth Economic Development Corporation, the Corinth Crime Control and Prevention District and the Corinth Fire Control, Prevention and Emergency Services District and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the DISTRICT has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the DISTRICT by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

III. INVESTMENT OBJECTIVES

Funds of the City shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the City’s investment activities shall be as follows (in the order of priority):

- A. Safety - Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the City will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the City’s investments.
- B. Liquidity - The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A

security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the City's portfolio.

- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.
- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the City's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the City's investment activities shall be as follows:

Strategy No. 1

Diversifying the City's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the City. Fund withdrawals are usually available from investment pools on a same-day basis, meaning

the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the City calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the City that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940, as well as, with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

Strategy No. 4

The City will utilize five general investment strategies designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s).
- C. Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund.
- D. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.

- E. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

Strategy No. 5

The City generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

Strategy No. 6

All demand deposits of the City will be concentrated with one central depository. The City's depository procedure will maximize the City's ability to pool cash for investment purposes and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the City may be eligible to bid on City investments.

Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

Strategy No. 8

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer(s). However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the City.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members - There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope - The Finance Audit Committee shall meet at least once per calendar quarter

to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.

- C. Procedures - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the voting members shall constitute a quorum. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

VI. RESPONSIBILITY AND STANDARD OF CARE

- A. The responsibility for the daily operation and management of the City's investments shall be outlined within this section.
1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
 2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
 - a. The cost of control should not exceed the benefits likely to be derived; and,
 - b. The valuation of costs and benefits requires estimates and judgments by management.
 3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence - The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has

exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
 2. The investment decision was consistent with the written investment policy and procedures of the City.
- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.
- D. Ethical Standards and Conflicts of Interest**
1. All City Investment Officials having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
 2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest.
 3. An Investment Officer has a personal business relationship with a business organization if:
 - a. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officers gross income for the prior year; or
 - c. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
 - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this

subsection must be filed with the Texas Ethics Commission and the City Council.

- E. Training** - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the City's investment personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officers and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

VII. AUTHORIZED INVESTMENTS

- A. Generally** - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to City funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the City is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments** - The authorized list of investment instruments is as follows:
1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
 2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit** - A certificate of deposit issued by a depository institution that has its main office or branch office in this state and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:

1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
 3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and
 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools** - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements** - Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the City and held in safekeeping with a third-party custodian approved by the City of Corinth. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds *but shall not include reverse repurchase agreements*.
- F. Bankers' Acceptances, and Commercial Paper (LIMITED USE)** - These investments are authorized for the City to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the City invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds** - An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A. and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the City with

a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) or the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).

- H. Unauthorized Securities - State law specifically prohibits investment in the following securities:
1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
 2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
 3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
 4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

VIII. DIVERSIFICATION

- A. Generally - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities - The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire City portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never

anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

The entire Economic Development Corporation portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

The entire Corinth Fire Control, Prevention and Emergency Services District portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

The entire Corinth Crime Control and Prevention District portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

C. Diversification by Investment Instrument - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury & Agency Callables	30%

IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the City. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and to improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City’s approved list. A horizon analysis is required for each swap proving benefit to the City before the trade decision is made, which will accompany the investment file for record keeping.

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A.** The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the City's investment policy.
- C.** The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
1. Financial conditions, strength and capability to fulfill commitments;
 2. Overall reputation with other dealers or investors;
 3. Regulatory status of the dealer;
 4. Background and expertise of the individual representatives.
- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the City's investment policy.
- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the City's ability to meet payroll or other expenses.
- F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the City's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the City. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.

- G. An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- H. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.
- I. If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the City. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the City's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the City. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.
- J. It is the policy of the City that all security transactions entered into with the City shall be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve System. By doing this, City funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the City. The notification may be oral but shall be confirmed in writing.

XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping - All securities owned by the City shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City's name in the bank's trust department, in a Federal Reserve Bank account in the City's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization - Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates

of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.

1. The City may accept the following to insure or collateralize bank deposits:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - b. United States Treasuries & Agencies, including FHLB letters of credit (LOCs) in an amount not less than the value of the deposits, plus accrued interest.
 - c. Other securities as approved by the Finance Audit Committee
2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.
3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

C. Collateralized Deposits - Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

1. Agreement must be in writing;
2. Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
3. Agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
4. Agreement must be part of the Depository's "official record" continuously since its execution.

XII. INTERNAL CONTROL

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established investment policy.

XIII. PERFORMANCE

The City's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the City. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

XIV. REPORTING

- A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.
- B. Annual Report - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Council. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;

2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
3. Additions and changes to the market value during the period;
4. Fully accrued interest for the reporting period;
5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
6. Listing of investments by maturity date;
7. The percentage of the total portfolio which each type of investment represents; and
8. Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The City's investment policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

Attachment ACITY OF CORINTH, TEXAS
Investment Strategy Statement**Operating Funds**

1. **Suitability** - Any investment eligible in the investment policy is suitable for Operating Funds.
2. **Safety of Principal** - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to three years, the price volatility of the overall portfolio will be minimized.
3. **Marketability** - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. **Liquidity** - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. **Diversification** - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. **Yield** - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

Reserve Funds

1. **Suitability** - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. **Safety of Principal** - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or three years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the

attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

Special Project and Capital Project Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Special Project and Capital Project Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market fluctuations will however occur, by restricting the maximum maturity to three years, managing the weighted average days to less than 270 days, restricting the maximum allowable maturity to two years, and by managing Special Project and Capital Project Funds to balance the short term and long term anticipated cash flow requirements of the plant or equipment being depreciated, replaced or repaired, the market risk of the Fund portfolio will be minimized.
3. Marketability - The balancing of short-term and long-term cash flow needs requires the short-term portion of the Special Project and Capital Project Funds portfolio to have securities with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market. Securities with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.
4. Liquidity - Special Project and Capital Project Funds used as part of a CIP plan or scheduled repair and replacement program are reasonably predictable. However unanticipated needs or emergencies may arise. Selecting Investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

5. Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective.

Bond Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of three years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month’s anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy’s risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

Attachment B

CITY OF CORINTH, TEXAS
Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Corinth, Texas (the "City") and _____ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the City; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: _____

Signature _____

Name: _____

Title: _____

Date: _____



CITY OF CORINTH
Staff Report

Meeting Date:	3/19/2026	Title: ACFR
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input checked="" type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission The Finance Audit Committee recommended the ACFR be presented to the City Council.	

Item/Caption

Hold a presentation, discuss and take appropriate action to accept the annual external audit and the Annual Comprehensive Financial Report presented by Eide Bailly, LLP.

Item Summary/Background/Prior Action

Eide Bailey, LLC conducted an audit of the financial statements for the City of Corinth for fiscal year 2024-2025. The audit firm issued an unmodified opinion on the financial statement, stating that the financial statements present fairly, in all material respects, the City’s financial position in conformity with generally accepted accounting principles.

The Annual Comprehensive Financial Report can be found on the city’s website at www.cityofcorinth.com/audit.

Financial Impact

Auditing services are budgeted in the Finance Divisional Budget for the Annual Audit (\$60,500) and Single Audit (\$12,500).

Applicable Ordinance/ Policy

The City of Corinth's Home Rule Charter Section 9.12, in compliance with Chapter 103 of the Local Government Code, states that at the close of the fiscal year an independent audit must be made on all accounts of the City by a certified public accountant.

Staff Recommendation/Motion

Staff recommends approval of the Annual Comprehensive Financial Report (ACFR).



March 9, 2026

To the Honorable Mayor and
Members of the City Council of the
City of Corinth, Texas

We have audited the financial statements of City of Corinth, Texas (the City) as of and for the year ended September 30, 2025, and have issued our report thereon dated March 9, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated December 10, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the City complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the City's major federal program compliance, is to express an opinion on the compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the City's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated March 9, 2026. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated March 9, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. The significant accounting policies used by the City are described in Note 4 to the financial statements. As discussed in Note 4 to the financial statements, the City has changed accounting policies related to accounting for compensated absences to adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning October 1, 2024. The City also adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires financial statement disclosure about risks related to a government's vulnerabilities due to certain concentrations or constraints for the year ended September 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the allowance for accounts receivable is a sensitive accounting estimate. The amount of the allowance is based on management's evaluation of collectability of accounts receivable, including historical collections experience, economic conditions, and other relevant factors.

Management's estimate of its net pension and total OPEB liabilities is based on reports received from the Texas Municipal Retirement System (TMRS). The net pension and total OPEB liabilities reported by TMRS are based on actuarial valuations that utilize various assumptions including the remaining amortization period, discount rate, expected rates of investment return, salary increases, payroll growth rates and mortality rates. The financial statements of the TMRS plan were audited by other auditors, whose financial statements received an unmodified opinion. We evaluated the audited financial statements, census data submitted by the City to TMRS and the City's controls over the census submission process that were used to develop the estimate of its net pension and total OPEB liabilities to determine that the estimates are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to long-term obligations, commitments and contingencies, and the pension and OPEB plans.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated March 9, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Additionally, in accordance with such standards, we read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

The audited financial statements include the financial statements of the City and the Corinth Economic Development Corporation and the Corinth Economic Development Foundation, discretely presented component units of the City, which we consider to be significant component units of the audited financial statements. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of the City, the Corinth Economic Development Corporation, and the Corinth Economic Development Foundation, and their environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements of the City and the Corinth Economic Development Corporation and the Corinth Economic Development Foundation and completion of further audit procedures.

This report is intended solely for the information and use of the Mayor, the City Council, and management of the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Abilene, Texas

Federal Awards Reports in Accordance
with the Uniform Guidance
September 30, 2025
City of Corinth, Texas

City of Corinth, Texas
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September 30, 2025

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Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Mayor and
Members of the City Council
City of Corinth, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated March 9, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Abilene, Texas
March 9, 2026



Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Mayor and
Members of the City Council
City of Corinth, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Corinth, Texas’s (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2025. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated March 9, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Abilene, Texas
March 9, 2026

City of Corinth, Texas
 Schedule of Expenditures of Federal Awards
 Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
Department of the Treasury			
Direct Program			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	\$ 330,262
Total Department of the Treasury			<u>330,262</u>
Department of Homeland Security			
Passed through Texas Water Development Board			
Flood Mitigation Assistance	97.029	1900012534	962,271
Total Department of Homeland Security			<u>962,271</u>
Department of Justice			
Direct Program			
Bulletproof Vest Partnership Program	16.607	n/a	230
Total Department of Justice			<u>230</u>
Department of Transportation			
Passed through Texas Department of Transportation			
National Priority Safety Programs	20.616	n/a	14,391
Total Department of Transportation			<u>14,391</u>
Total Federal Financial Assistance			<u>\$ 1,307,154</u>

City of Corinth, Texas
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Corinth, Texas, (the City) under programs of the federal government for the year ended September 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City.

Note B – Summary of Significant Accounting Principles

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note C – Indirect Cost Rate

The City is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the City has previously received a negotiated indirect cost rate for its federal awards.

City of Corinth, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2025

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Flood Mitigation Assistance	97.029
Dollar threshold used to distinguish between type A and type B programs for federal awards:	\$1,000,000
Auditee qualified as low-risk auditee?	No

City of Corinth, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2025

Section II – Financial Statement Findings

The audit disclosed no findings.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings and questioned costs required to be reported.

Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings
September 30, 2025
Prepared by Management of
City of Corinth, Texas

City of Corinth, Texas - Summary Schedule of Prior Audit Findings

Finding 2024-001

Initial Fiscal Year

Finding Occurred: 2024

Finding Summary:

The internal control structure of the City failed to identify certain developer contributions that the City had accepted in June 2023 during the previous fiscal year. This resulted in a material understatement of capital assets and revenues of governmental activities and business-type activities for the financial statements of the year ended September 30, 2023. City personnel identified the misstatement during the fiscal year ended September 30, 2024 and recorded entries to restate beginning net position.

The City implemented measures to avert future oversights and ensure developer contributions are recorded timely. The first measure was to put staff in place to keep track of projects that involve developer contributions. The second measure was to commit to holding quarterly meetings with appropriate staff to discuss the status of those projects and obtain documentation on completed projects so that they can be recorded timely.

Status:

This recommendation has been implemented.

City of Corinth, Texas



Annual Comprehensive Financial Report

For Fiscal Year Ended
September 30, 2025



CITY OF CORINTH, TX
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended September 30, 2025



Scott Campbell
City Manager

Department of
Finance & Administrative Services

Lee Ann Bunselmeyer
Director of Finance & Strategic Services

Dawn Taylor, CPA
Assistant Finance Director

Kenneth Stice, CPA
Controller

Linda Thoms
Accounting Manager

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INTRODUCTORY SECTION





3300 Corinth Parkway · Corinth, TX · 940.498.3200

March 9, 2026

Honorable Mayor,
Members of the City Council
and Citizens
City of Corinth, Texas

The City Manager and the Finance department of the City of Corinth are pleased to submit the Annual Comprehensive Financial Report of the City of Corinth for the fiscal year ended September 30, 2025. The purpose of this report is to provide the council, staff, citizens of Corinth, and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and was conducted in accordance with Section 9.12 of the City Charter. The Annual Comprehensive Financial Report (ACFR) consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The ACFR is organized into three sections: *Introductory*, *Financial* and *Statistical*. The *Introductory* section includes this transmittal letter, the City's organization chart, and a list of principal officials. The *Financial* section includes the auditors' report, Management's Discussion and Analysis, basic financial statements, required supplementary information, combining and individual fund financial statements, and other supplemental information. The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis. The information is presented in table format to assist the reader with a comparative analysis.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Corinth's MD&A can be found immediately following the report of the independent auditors.

INDEPENDENT AUDIT

The City of Corinth’s financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2025, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Corinth’s financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

The City of Corinth, which was incorporated on September 19, 1960, is in the north central portion of Texas. This area of the state has proven to be one of the top growth areas in Texas and the United States. The City currently occupies a land area of 7.8 square miles. The City is empowered to levy a property tax on real property and certain personal property located within its boundaries. Corinth has operated under the council-manager form of government since May 6, 1999. This has become a popular form of government throughout the State of Texas. Policy-making and legislative authority are vested in the City Council consisting of the mayor and five other members. The City Council’s primary responsibilities include passing ordinances, adopting the budget, appointing boards and committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and for appointing the heads of the various City departments. The City Council is elected on a non-partisan, at-large basis. The Mayor and City Council members serve staggered three-year terms.

The City of Corinth provides a full range of municipal services including general government, public safety (police, animal control, fire, and emergency medical services), streets, parks and recreation, planning and zoning, code enforcement, and water/wastewater and drainage utilities. Water/wastewater and drainage services are provided through the public works department, which functions, in essence, as a department of the City and, therefore, has been included as an integral part of the City’s financial statements.

Moving forward, the City seeks to reduce its dependence on property tax revenues and increase the amount of sales and use tax revenues in a judicious manner by encouraging lifestyle-focused developments that will create meaningful employment opportunities in live-work-play settings, offer extraordinary opportunities for commerce, and result in sustainable revenues.

As Corinth continues to pioneer a new path and secure its vision for the future, its core values will remain rooted in its family-oriented traditions, and its commitment will remain anchored by achieving the highest quality of life possible for all its citizens.

LOCAL ECONOMY

With impressive demographics and a prime location along one of the busiest routes in North Texas, Corinth is a flourishing community known for its outstanding quality of life and small-town charm. The city offers easy access to Dallas, Dallas-Fort Worth International Airport, and other Metroplex destinations. Incorporated in 1960, Corinth is celebrated for its friendly residents, natural beauty, and advantageous position along Interstate Highway 35E (I-35E). With an affluent and growing population, Corinth is committed to ensuring a sustainable future for its residents, businesses, and visitors while upholding its family-centered values.

In May 2024, the City opened the Commons at Agora, a multi-purpose public park and iconic community gathering place that, among other developments under construction and planned, will be a catalyst for development to create a vibrant Downtown Corinth. Village Square construction has begun and will bring 587 multi-family homes to Downtown in two phases, adding to the 164 homes in Walton Ridge near completion.

These developments, along with the 300 multi-family homes and 30,000 square feet of retail in the City Center development and 121 townhomes in Greenway Trails will bring 24/7 activity to Downtown, paving the way for future retail and other development. City and EDC initiatives to purchase property Downtown, create a mixed-use zoning code, and rezone City, EDC, and other private properties to allow for mixed-use are forging a path to the creation of a vibrant, walkable Downtown. The City completed a Downtown plan with a vision and recommendations that will forge a path for an economically viable community gathering place. In total, 1,809 new single-family homes and 2,219 multi-family homes are under construction or soon to begin construction that will provide a mix of housing choices for families and individuals moving to Corinth as well as those who desire to stay in the community but have changing needs or desires for housing. Existing residents and those choosing to make Corinth their home will enjoy 65,000 square feet of new planned retail in addition to the 30,000 square feet coming in the City Center development. Additional retail is being proposed in other developments such as Millennium and in the downtown area. 212,975 square feet of industrial and flex space is underway on the north end of Downtown.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 3.48% for the 2025 tax year over the 2024 certified value, the lowest year-over-year increase in many years.

Sales tax revenue is the second largest tax revenue source for the City's General Fund. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. Of the 8.25% tax, the State retains 6.25%. It distributes 1% to the City of Corinth, .25% to the Crime Control & Prevention District, .50% to the Economic Development Corporation, and .25% to the Fire Control, Prevention and Emergency Services District.

MAJOR INITIATIVES

The city is committed to several major initiatives designed to enhance the quality of life for residents and support long-term growth. These initiatives reflect strategic investments in infrastructure, community development, and sustainability, ensuring that the city remains a vibrant and resilient place to live, work, and visit. By prioritizing innovation, collaboration, and fiscal responsibility, the municipality aims to address current needs while laying a strong foundation for future opportunities. Through these efforts, the city continues to foster an environment where businesses thrive, neighborhoods flourish, and community engagement is at the forefront.

Senior Exemptions—In December 2023, the city received a petition requesting an election to authorize the adoption of a ceiling or limitation on the ad valorem tax levy for a person sixty–five years of age or older. During the May election, the proposition passed by majority vote. The authorized senior tax freeze sets a cap, or ceiling, on the amount of property taxes eligible residents will pay annually to the City of Corinth. Currently the tax rolls reflect 1,793 property owners eligible for the senior exemption. The ceiling base was set by the lower ad valorem value for tax year 2025. Moving forward it will be set in the year that the property owner turns 65. In future years, the property taxes on a home may go below, but not above, the ceiling amount. There was no impact to the FYE2025 budget; however, projections reflect \$81.4 million that will be removed from the tax rolls in FYE2026. The projected year one impact in FYE2026 of the exemption and freeze is \$422,083.

Water/Wastewater Fixed Contracts—The Utility Fund is financed and operated in a manner like a private business enterprise, where the costs of providing the services to the public are financed primarily through user fees to Corinth residents. The rates charged for these services are designed to provide these services at cost. The largest cost incurred by the City to provide water and wastewater services are fees charged by Upper Trinity Regional Water District for water supply and wastewater disposal/treatment. Operating expenses are dominated by contractual payments of \$8.4 million or 44% of the total utility fund expenditures for 1) the purchase of water for resale and City use from the Upper Trinity Regional Water District; and 2) wastewater treatment from Upper Trinity Regional Water District and the City of Denton. It is anticipated that the utility system will expand by 1,000 connections each year for the next five years.

Water/Wastewater Rates—In April 2023 the city engaged Raftelis Financial Consultants, Inc. to perform an in-depth cost of service and rate design analysis. The study’s intent was to achieve a water and wastewater rate structure that assured equitable and adequate revenues for operations, debt service retirement, asset management, capital improvements, and bond covenant requirements. The focus was to ensure that the utility system would operate on a self-sustaining basis while considering the economic impact on the City’s customers. The study examined requirements for a three-year period and determined that rates were not sufficient to meet revenue requirements for the three-year study period. In FYE2024, the city adopted the first year of the financial plan and corresponding rate structure which included a 5% increase for water and a 3% increase for wastewater. In FYE2025, the city adopted the second-year recommendations to include a 3% increase for both water and wastewater. The FYE2026 budget included the final-year recommendations to include an additional 3% increase for both water and wastewater.

Critical Infrastructure—Many cities are facing challenges with aging street, water and wastewater infrastructure costs especially as construction and maintenance costs continue to rise. The City maintains and operates infrastructure and facilities with a net asset value of \$45,446,475 for streets, \$24,881,335 for water and wastewater, \$5,494,197 for drainage, and \$13,214,413 for park facilities. The City changed its focus on rehabilitation versus replacement to bring deteriorated assets back to their original condition to extend their useful life. The Capital Improvement Program identifies over \$66 million in projects from 2026-2030. A long-term concern will be providing enough funding each year to maintain the City’s existing and future infrastructure.

Development—The City continues to prioritize thoughtful and balanced development to enhance quality of life while supporting long-term financial sustainability. As growth continues, the City recognizes the importance of proactively addressing associated impacts such as traffic demand, infrastructure capacity, and environmental considerations. To support responsible planning and resource allocation, the City is undertaking several comprehensive studies focused on infrastructure capacity, traffic patterns, environmental impacts, and updates to the Unified Development Code. These initiatives provide data-driven analysis that assists leadership in forecasting future needs, prioritizing capital investments, and mitigating potential challenges associated with growth. Through proactive planning and strategic investment, the City seeks to promote sustainable economic development while preserving community character and maintaining high service levels for residents.

LONG-TERM FINANCIAL PLAN

The budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City’s major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted “base year” budget and four projected years. There are several benefits to these plans. First, the plans give future councils a valuable perspective when considering budgets within each plan’s five-year horizon. Second, the plans impart a measure of discipline on staff. The General Fund long-term plan assumes the City’s property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater Fund and the Storm Drainage Fund.

In August 2024, S&P Global Ratings raised its underlying rating (SPUR) to “AA+” from “AA” on the City’s existing general obligation debt and certificates of obligation, and Moody’s affirmed its “Aa2” rating. The rating agencies attributed their opinions to various factors surrounding the city’s financial stability, growth and financial policies and practices.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by State law, City Charter, and Council Ordinances. All departments of the City of Corinth are required to submit requests for appropriation to the City Manager based on a budget calendar issued annually. The City Manager uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the City Council for review prior to approval and adoption. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (e.g., Public Works) and division (e.g., Parks & Recreation). Department Directors may make transfers of appropriations between divisions within a department. All transfers of appropriations between departments require the approval of the City Manager. Any changes to appropriations or transfers between funds require City Council approval. Budgetary comparison schedules are provided in this report in the required supplementary information subsection for the General Fund, and in the supplementary information subsection for other funds with legally adopted annual budgets.

CASH MANAGEMENT POLICIES AND PRACTICES

Funds of the City are invested in accordance with all applicable Texas statutes, the City's Investment Policy, and any other approved, written administrative procedures. The five objectives of the City's investment activities, in order of priority, are as follows: Safety – Preservation and Safety of Principal, Liquidity, Diversification, Market Rate-of-Return (Yield), and Public Trust.

The Investment Policy is updated, reviewed, and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately three months. On September 30, 2025, the annualized yield on investments was 4.29%, compared to 5.148% for the same period in 2024. Cash and investments for the City at September 30, 2025, were \$57.4 million.

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City of Corinth for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the sixteenth consecutive year that the City achieved this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, GFOA awarded a Distinguished Budget Presentation Award to the City for its annual budget document dated October 1, 2024. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories, including serving as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance department. We would like to express our appreciation for the assistance provided

by our auditors, Eide Bailly, LLP. Credit must also be given to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corinth and its finances.

Respectfully submitted,



Scott Campbell
City Manager



Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic
Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Corinth
Texas**

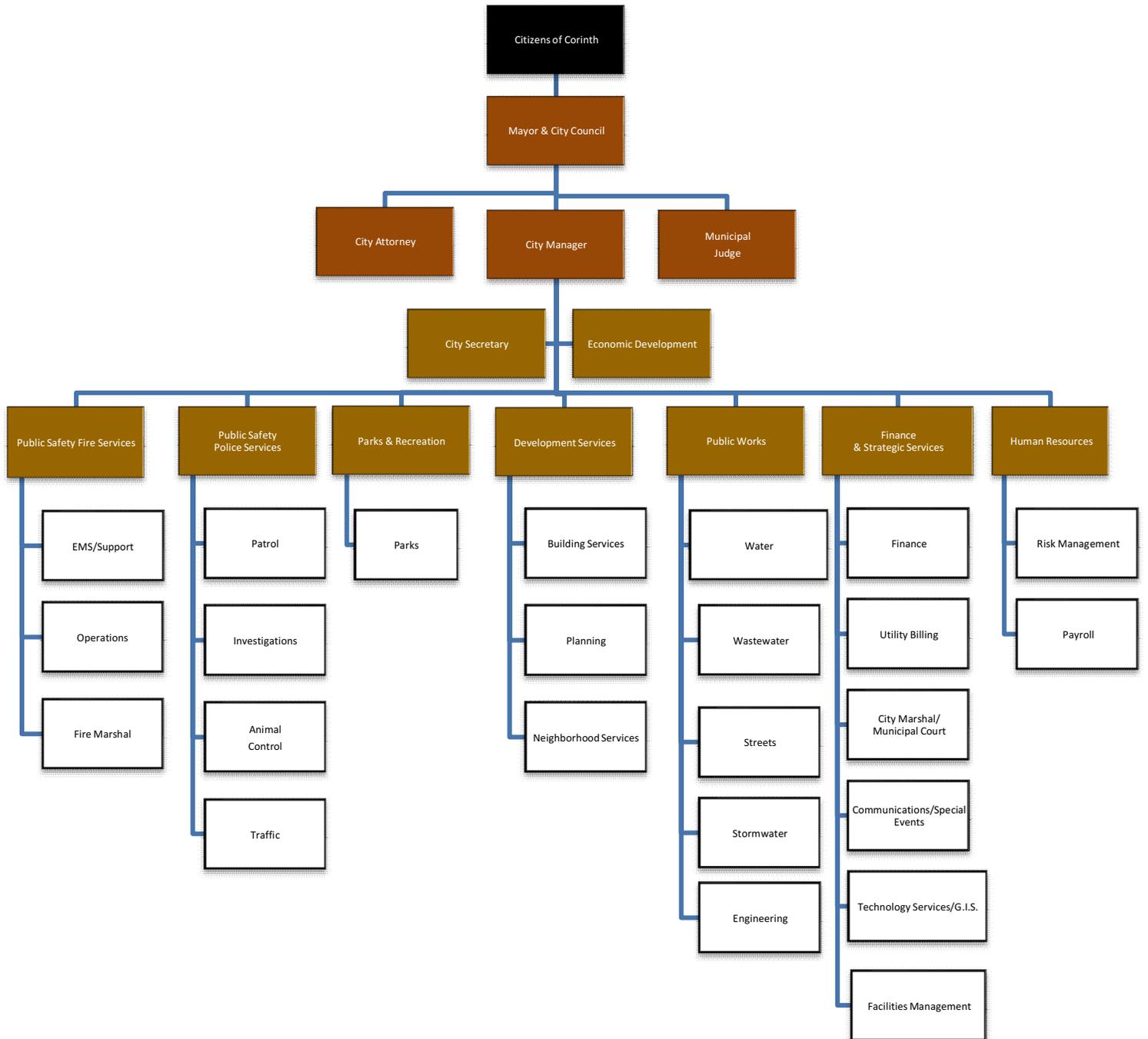
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



**City of Corinth, Texas
Elected and Appointed Officials**

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Mayor Pro Tem, Place I

Scott Garber
Council Place II

Lindsey Rayl
Council Place III

Tina Henderson
Council Place IV

Kelly Pickens
Council Place V

Appointed Officials:

Scott Campbell, City Manager

Lana Wylie, City Secretary

Lee Ann Bunselmeyer, Director of Finance & Strategic Services

Melissa Dailey, Director of Community & Economic Development

Guadalupe Ruiz, Director of Human Resources

Chad Thiessen, Fire Chief

Wendell Mitchell, Police Chief

Glenn Barker, Director of Public Works

Caroline Seward, Director of Parks & Recreation



FINANCIAL SECTION



Independent Auditor's Report

To the Mayor and
Members of the City Council
City of Corinth, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City'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 respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Notes 1 and 11 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended September 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of October 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System, Schedule of Employer Contributions – Texas Municipal Retirement System, Schedule of Changes in Total OPEB Liability and Related Ratios – Supplemental Death Benefits Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abilene, Texas
March 9, 2026

As management of the City of Corinth ("City"), we offer readers this narrative overview and analysis of the financial activities and financial performance of the City for the fiscal year ended September 30, 2025 ("current fiscal year"). The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City's financial activity, to identify changes in the City's financial position, and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$102,966,988.
- The City's governmental activities net position increased from the beginning net position as restated by \$4,119,727. The business-type activities net position decreased from the beginning net position as restated by \$3,262,240.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33,854,907, a decrease of \$431,928 from the combined beginning fund balances. Of the combined ending fund balances, \$10,734,400 or 32% is available for spending within the City's guidelines (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the City's General Fund was \$10,734,400 or 39% of total General Fund expenditures and outlays for the current fiscal year.
- The City's governmental activities long-term liabilities decreased to \$54,534,274, a decrease of \$4,230,404 from the prior year's ending balance as restated of \$58,764,678. The decrease is due primarily to the payment of principal on existing debt. The City's business-type activities long-term liabilities decreased to \$13,013,441, a decrease of \$1,080,026 from the prior year's ending balance as restated of \$14,093,467. The decrease is due primarily to the payment of principal on existing debt.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner like a private-sector business.

The *statement of net position* shows the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is calculated by subtracting the total liabilities and deferred inflows of resources from the total assets and deferred outflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (e.g., roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the City.

The *statement of activities* shows how the government's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used in governmental funds.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include public safety (police, fire, and emergency medical services), community services, public works, planning and community development, city administration, finance and administrative services, and debt service. The business-type activities are the water and wastewater utility, which includes contracted garbage collection services, and the storm drainage utility.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate units—Corinth Economic Development Corporation and Corinth Economic Development Foundation—as component units for which the City is financially accountable. Financial information for the component units is reported separately from the financial information for the primary government itself.

The government-wide financial statements can be found in the Basic Financial Statements section of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* as well as on *balances of spendable resources available* at the end of the fiscal year. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City reports thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and 2023 CO Fund, which are major funds. Data from the non-major governmental funds are combined into a single aggregated presentation. Fund data for the non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found in the Basic Financial Statements section of this report.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Proprietary funds. The City maintains one type of proprietary fund known as an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses two enterprise funds to account for its water and wastewater utility and for its storm drainage utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Fund and the Storm Drainage Fund, both of which are major funds of the City. The proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Basic Financial Statements section of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the General Fund revenue and expenditures budget and actual information as well as the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and retirees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position, which is the amount by which total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources, may serve over time as a useful indicator of a government's financial position. The following Table I, Net Position at Fiscal Year-End, summarizes the City's net position as of the close of the current and prior fiscal years.

**TABLE I
Net Position at Fiscal Year-End**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$ 41,184,458	\$ 39,965,186	\$ 26,388,697	\$ 25,921,697	\$ 67,573,155	\$ 65,886,883
Capital assets	85,633,916	86,403,129	32,546,397	35,206,513	118,180,313	121,609,642
Total assets	126,818,374	126,368,315	58,935,094	61,128,210	185,753,468	187,496,525
Deferred Outflows of Resources						
Deferred loss from refunding	-	-	6,923	13,846	6,923	13,846
Deferred outflows - pension	2,892,165	3,385,160	408,889	472,269	3,301,054	3,857,429
Deferred outflows - OPEB	62,836	91,928	7,600	14,011	70,436	105,939
Total deferred outflows of resources	2,955,001	3,477,088	423,412	500,126	3,378,413	3,977,214
Liabilities						
Current Liabilities	3,814,612	4,422,583	5,378,346	3,293,610	9,192,958	7,716,193
Noncurrent liabilities -						
Due within one year	6,041,301	5,943,403	1,459,637	1,390,392	7,500,938	7,333,795
Noncurrent liabilities -						
Due in more than one year	55,228,643	60,082,350	12,444,065	13,679,267	67,672,708	73,761,617
Total liabilities	65,084,556	70,448,336	19,282,048	18,363,269	84,366,604	88,811,605
Deferred inflows of resources						
Deferred gain on refunding	166	335	-	-	166	335
Deferred inflows - lease related	861,301	139,904	-	-	861,301	139,904
Deferred inflows - pension	690,629	71,338	89,403	9,787	780,032	81,125
Deferred inflows - OPEB	139,641	165,148	17,149	23,134	156,790	188,282
Total deferred inflows of resources	1,691,737	376,725	106,552	32,921	1,798,289	409,646
Net position						
Net investment in capital assets	45,454,827	44,013,068	26,388,060	30,243,771	71,842,887	74,256,839
Restricted	6,782,755	6,079,418	3,646,975	3,343,113	10,429,730	9,422,531
Unrestricted	10,759,500	8,927,856	9,934,871	9,645,262	20,694,371	18,573,118
Total net position	\$ 62,997,082	\$ 59,020,342	\$ 39,969,906	\$ 43,232,146	\$ 102,966,988	\$ 102,252,488

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Section H, Item 3.

As shown in Table I, Net Position at Fiscal Year-End, the City's combined net position was \$102,966,988 at the close of the current fiscal year. Analyzing the net position of the governmental and business-type activities separately, the governmental activities net position was \$62,997,082 and the business-type activities net position was \$39,969,906 at the close of the current fiscal year.

By far, the largest portion of the City's combined net position is its net investment in capital assets of \$71,842,887 or 70%. This amount reflects the City's investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the City's combined net position, \$10,429,730 or 10%, represents resources that are subject to external restrictions on how they may be used. The unrestricted portion of the combined net position, \$20,694,371 or 20%, may be used to meet the City's ongoing obligations to citizens and creditors. At the close of the current fiscal year, the City had \$57,441,199 available in cash and investments that could be used to meet the City's ongoing obligations to citizens and creditors.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Section H, Item 3.

The following Table II, Changes in Net Position for the Fiscal Year, summarizes the changes to the City's net position for the current and prior fiscal years.

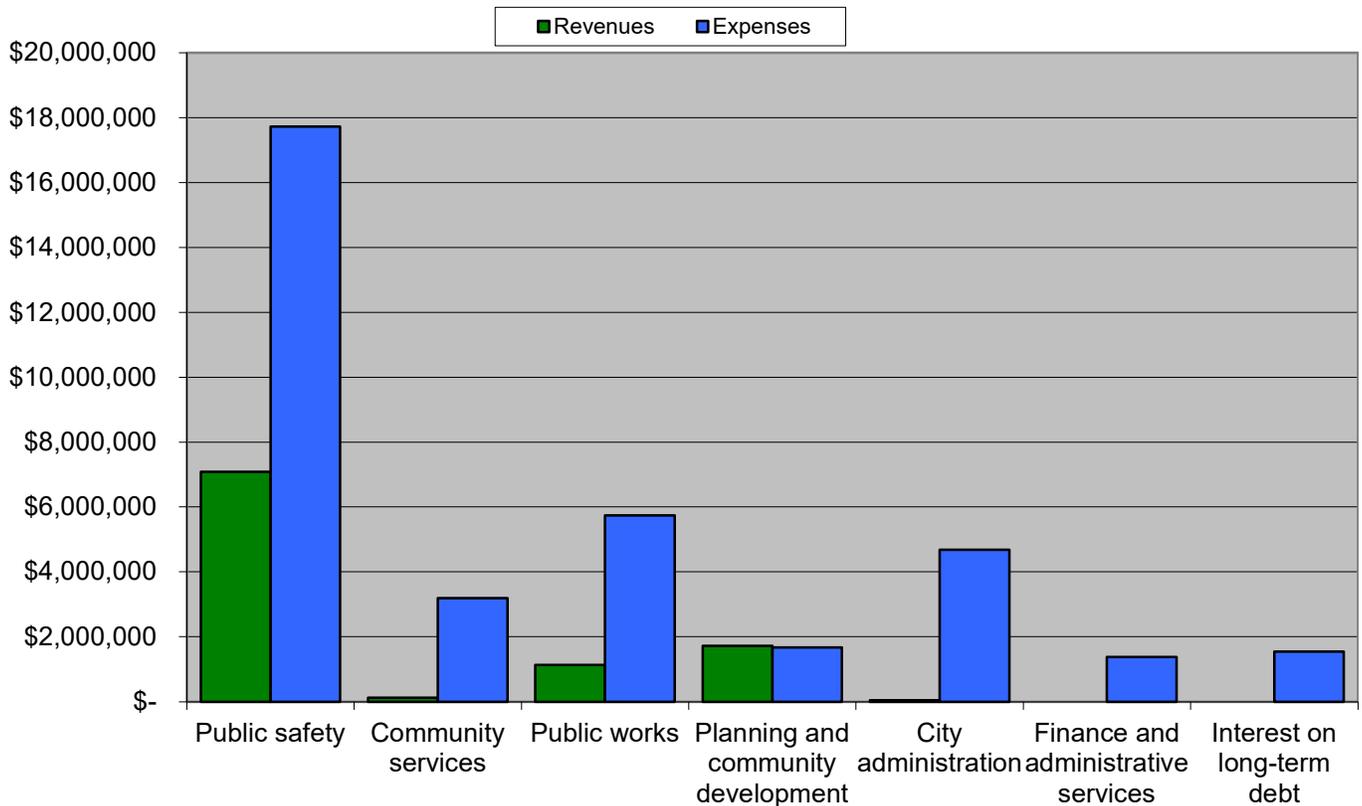
TABLE II
Changes in Net Position for the Fiscal Year

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charges for services	\$ 10,098,223	\$ 10,193,421	\$ 18,520,029	\$ 17,332,657	\$ 28,618,252	\$ 27,526,078
Operating grants and contributions	592,955	642,661	-	-	592,955	642,661
Capital grants and contributions	1,335,227	2,114,118	930,584	3,466,211	2,265,811	5,580,329
General revenues	-	-	-	-	-	-
Property taxes	18,820,084	17,454,780	-	-	18,820,084	17,454,780
Sales taxes	4,078,154	3,724,346	-	-	4,078,154	3,724,346
Franchise taxes	1,261,367	1,213,743	-	-	1,261,367	1,213,743
Hotel taxes	129,461	119,586	-	-	129,461	119,586
Vehicle taxes	158,590	165,681	-	-	158,590	165,681
Miscellaneous	969,535	1,507,312	684	-	970,219	1,507,312
Investment interest	1,805,674	2,138,192	997,717	1,079,140	2,803,391	3,217,332
Gain on sale of capital assets	-	-	-	10,753	-	10,753
Total revenues	39,249,270	39,273,840	20,449,014	21,888,761	59,698,284	61,162,601
Expenses:						
Public safety	17,721,483	13,915,501	-	-	17,721,483	13,915,501
Community services	3,188,752	3,331,212	-	-	3,188,752	3,331,212
Public works	5,737,449	6,009,414	-	-	5,737,449	6,009,414
Planning and community development	1,667,151	1,411,969	-	-	1,667,151	1,411,969
City administration	4,677,145	4,192,822	-	-	4,677,145	4,192,822
Finance and administrative services	1,370,932	1,102,641	-	-	1,370,932	1,102,641
Interest on long-term debt	1,539,083	1,535,440	-	-	1,539,083	1,535,440
Water and wastewater	-	-	21,606,046	16,839,383	21,606,046	16,839,383
Storm drainage	-	-	1,332,756	931,097	1,332,756	931,097
Total expenses	35,901,995	31,498,999	22,938,802	17,770,480	58,840,797	49,269,479
Increase (decrease) in net position before transfers, contributions and special items	3,347,275	7,774,841	(2,489,788)	4,118,281	857,487	11,893,122
Net transfers	772,452	280,335	(772,452)	(280,335)	-	-
Increase (decrease) in net position	4,119,727	8,055,176	(3,262,240)	3,837,946	857,487	11,893,122
Net position - beginning	59,020,342	50,965,166	43,232,146	39,394,200	102,252,488	90,359,366
Change in Accounting Principle	(142,987)	-	-	-	(142,987)	-
Net position - ending	\$ 62,997,082	\$ 59,020,342	\$ 39,969,906	\$ 43,232,146	\$ 102,966,988	\$ 102,252,488

Governmental activities. As shown in Table II, Changes in Net Position for the Fiscal Year, governmental activities increased the City's net position by \$4,119,727, which surpassed the total increase in combined net position for the current fiscal year. Total governmental activities revenues and transfers decreased \$24,570 or less than one percent from the prior fiscal year due primarily to decreased grants and contributions. Grants decreased because the City spent most of its American Rescue Plan Act (ARPA) funding prior to FY2025. However, property tax revenue, sales tax revenue, franchise tax revenue, and hotel tax revenue all increased. Total governmental activities expenses increased \$4,402,996 or 14% from the prior fiscal year due primarily to increased salaries expenses and health insurance expense costs for public safety.

The following Figure 1, Governmental Activities Program Revenues versus Expenses for the Current Fiscal Year, provides a graphic representation of the City's governmental activities expenses and any directly related revenues by source.

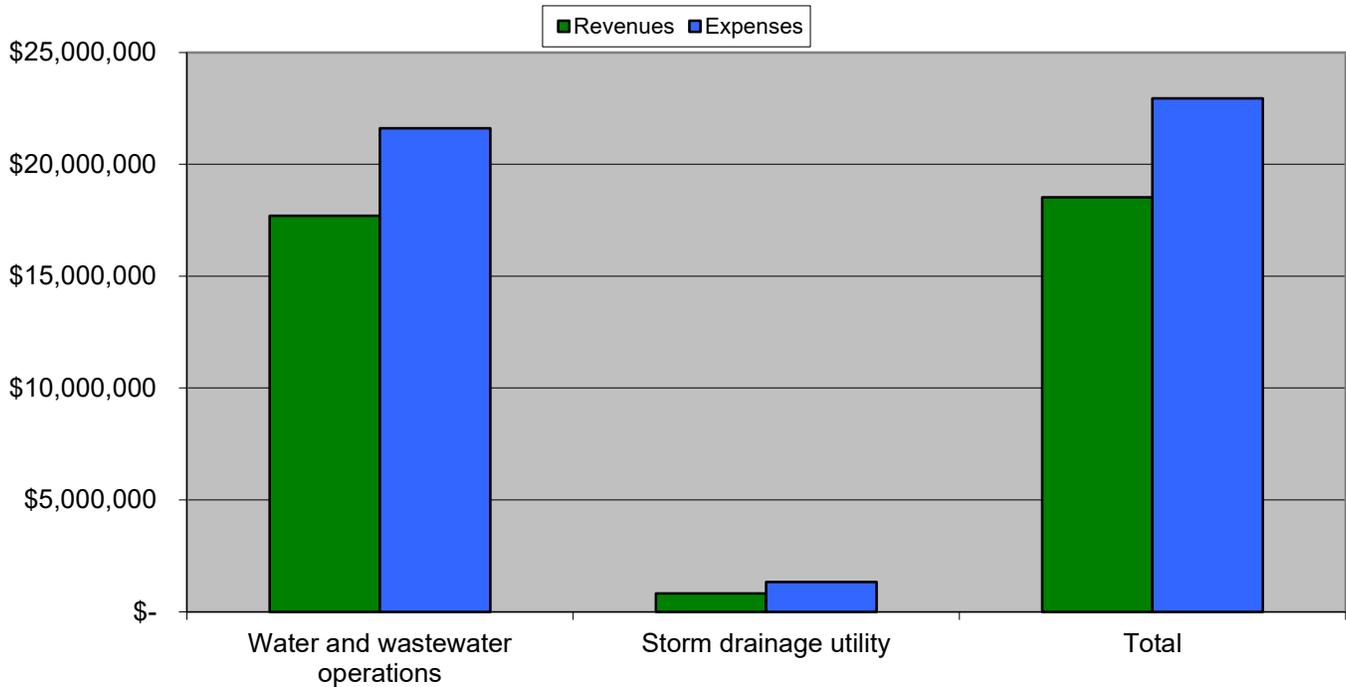
**Figure 1
Governmental Activities Program Revenues versus Expenses
for the Current Fiscal Year**



Business-type activities. As shown in Table II, Changes in Net Position for the Fiscal Year, business-type activities decreased the City's net position by \$3,262,240. Total business-type activities revenues decreased \$1,439,747 or 6.6% from the prior fiscal year due primarily to decreased capital grants and contributions. The decrease in capital grants and contributions is due to the City spending most of its ARPA funding prior to FY2025. Total business-type activities expenses and transfers increased \$5,168,322 or 29% from the prior fiscal year due primarily to increased operating costs of water, wastewater treatment, operations, maintenance, and storm drainage. Additionally, the City made payments for one-time projects necessary for addressing utility system reliance and critical infrastructure upgrades.

The following Figure 2, Business-Type Activities Program Revenues versus Expenses, provides a graphic representation of the City's business-type activities expenses and any directly related revenues by source.

**Figure 2
Business-Type Activities Program Revenues versus Expenses
for the Current Fiscal Year**



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33,854,907, a decrease of \$431,928 from the prior fiscal year-end. The decrease in combined ending fund balances is due to the following: an increase of \$210,104 in the General Fund, a decrease of \$255,985 in the Debt Service Fund, an increase of \$306,811 in the 2023 CO fund, and a decrease of \$692,858 in Other Governmental Funds.

Of the combined total governmental fund balances of \$33,854,907, \$10,734,400 constitutes the General Fund *unassigned* fund balance, which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending. It comprises \$872,718 restricted for the debt service fund, \$7,143,568 restricted for the 2023 CO fund, \$6,061,426 for special revenue funds, and \$5,800,278 for capital project funds. The fund balance that is designated as *committed* represents those amounts committed to liquidate contracts or encumbrances. Currently, there is a committed fund balance of \$287,702 in special revenue funds and \$2,890,304 in capital projects funds. The fund balance amount designated as *non-spendable* is for prepaid items of \$49,533 and inventories of \$14,978.

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the *unassigned* fund balance of the General Fund was \$10,734,400, while total fund balance was \$10,785,411. The fund balance increased by \$210,104 during the current fiscal year due primarily to increased transfers in and property tax revenue. Transfers In totaled \$2,294,906 in FY2025, an increase of \$1,125,944 from FY2024. This increase was due primarily to closing the General Fund Asset Management Reserve Fund, closing the Broadband Utility Fund, and transfer of an insurance payout for a new fire engine truck from the Risk and Insurance Claims Fund. Property tax revenue increased by \$776,910 due to new construction and increased existing property values. This increase was partially offset by an increase in public safety expenditures of \$1,069,960, an increase in community services expenditures of \$608,953, and an increase in capital outlay of \$219,195. Public safety and community services expenditures increased due to increasing salary and health insurance expenses. Capital outlay increased due primarily to building renovations and new fire equipment. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and outlays for the fiscal year. Unassigned fund balance represents 39.4% of total General Fund expenditures and transfers out, while total fund balance represents 39.6% of that same amount.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. At the end of the current fiscal year, the Debt Service Fund had a total fund balance of \$872,718, all of which was restricted for the payment of debt service. The fund balance decreased during the current fiscal year by \$255,985 due primarily to transfers out. Transfers Out were related to the closure of the General Fund Asset Management Reserve Fund.

2023 CO Fund. This fund tracks revenues and expenditures related to the 2023 Certificates of Obligation debt issuance. Funds will be used for capital projects, such as streets, infrastructure construction, and improvements. At the end of the current fiscal year, the 2023 CO Fund had a total fund balance of \$7,143,568 all of which was restricted for major capital projects. The fund balance increased during the current fiscal year by \$306,811 due to investment income from TexSTAR, a local government investment pool (LGIP). Investment income decreased by \$35,870 from \$342,681 in FY2024 primarily due to decreasing interest rates.

Other Governmental Funds. The Other Governmental Funds comprise nonmajor special revenue funds and nonmajor capital project funds, each of which is used to account for revenues and expenditures related to specific purposes. At the end of the current fiscal year, the Other Governmental Funds had a total fund balance of \$15,053,210. The total fund balance decreased \$692,858 for the current fiscal year from beginning fund balance due primarily to increased spending on capital projects. The nonmajor special revenue funds include the following: Crime Control and Prevention Fund, Hotel-Motel Tax Fund, Keep Corinth Beautiful Fund, County Child Safety Fund, Special Revenue Fund, Municipal Court Security Fund, Municipal Court Technology Fund, Police Confiscation Fund – State, Parks Development Fund, Community Park Improvement Fund, Tree Mitigation Fund, Roadway Impact Fee Fund, Fire District Sales Tax Fund, Broadband Utility Fund, Reinvestment Zone #2, Short-term Rental Vehicle Tax Fund, Street Rehabilitation Fund, Reinvestment Zone #3, and COVID CARES Act Fund. The nonmajor capital projects funds include the following: Governmental Capital Projects Fund, Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, Technology Equipment Replacement Fund, 2016 CO Fund, 2019 CO Fund, 2020 CO Fund, 2021A CO Fund, and LCFD Public Property Fund.

- The Corinth Crime Control and Prevention District Fund accounts for a special sales tax of \$.0025 levied for crime control and prevention within the City. Sales tax collections were \$51,718 more than budgeted, interest earnings were \$12,374 less than budgeted, and expenditures were \$282,916 more than budgeted. However, the Crime Control and Prevention District Fund also gained \$305,259 from the

issuance of leases and SBITAs. There was \$50,000 in transfers out. These combined decreased actual fund balance by \$34,230.

- The Fire District Sales Tax fund accounts for the collection of a special sales tax of \$.0025. Sales tax collections were more than budgeted by \$47,783, interest earnings were less than budgeted by \$9,154, expenditures were less than budgeted by \$42,545. These combined increased fund balance by \$83,277.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains two enterprise funds: the Water and Wastewater Fund and the Storm Drainage Fund.

For the current year, Water and Wastewater Fund assets of \$51,979,541 and deferred outflows of resources of \$372,455 exceeded liabilities of \$19,110,695 and deferred inflows of resources of \$96,791, resulting in total net position of \$33,144,510. Total net position decreased \$2,768,097 for the current fiscal year from beginning net position but unrestricted net position increased to \$8,675,393 from \$8,292,994 for the prior fiscal year. The Water and Wastewater Fund reported a current fiscal year operating loss of (\$2,805,261). The current fiscal year net non-operating revenues and expenses were (\$158,966), which included \$941,357 in interest income, \$684 in miscellaneous income, \$728,171 in loss on sale of aging and obsolete capital assets at auction, and \$372,836 in debt service interest expense.

Storm Drainage Fund assets of \$6,955,553 and deferred outflows of \$50,957 exceeded liabilities of \$171,353 and deferred inflows of resources of \$9,761, resulting in total net position of \$6,825,396. Total net position decreased \$494,143 for the current fiscal year from beginning net position and unrestricted net position decreased to \$1,259,478 from \$1,352,268 for the prior fiscal year. The storm drainage utility reported current fiscal year operating loss of (\$508,517). The current fiscal year net non-operating revenues and expenses were \$52,372, which included \$56,360 in interest income and \$3,988 in interest expense.

Additional factors regarding the finances of the Proprietary Funds are addressed in the earlier discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the current fiscal year, General Fund actual expenditures and outlays were \$27,220,512 compared to the final budget of \$27,159,051. The negative \$61,461 expenditure and outlay variance was due to increased debt principal payments of \$316,467, increased debt interest payments of \$69,577, and increased payments of \$349,403 in capital outlay, offset by decreased costs of \$125,978 in public safety, \$26,573 in community services, \$16,476 in public works, \$38,488 in planning and community development, \$403,243 in city administration, and \$63,228 in finance and administrative services. Actual revenue (including transfers) was \$27,430,616 compared to the final budget of \$25,946,506. The \$1,484,410 positive revenue (including transfers) variance was due to a \$198,966 positive sales tax variance, a \$173,345 positive police fees and permits variance, a \$256,053 positive fire services variance, a \$14,392 positive grant revenue variance, a positive \$105,896 interest income variance, a positive \$66,727 miscellaneous income variance, unbudgeted lease proceeds of \$171,677, unbudgeted subscription IT proceeds of \$125,319, and a positive transfer-in variance of 641,702, offset by a negative \$148,629 property tax variance, a negative \$2,306 franchise tax variance, a negative \$51,985 utility fees variance, a negative \$42,201 traffic fine variance, a negative \$20,280 development fee variance, and a negative \$4,566 parks and recreation fee variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. As shown in the following Table III, Capital Assets at Fiscal Year-End, at the end of the current fiscal year, the City's investment in capital assets for its governmental and business-type activities was \$118,180,313 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, infrastructure, right-to-use lease assets, and right-to-use subscription-based information technology arrangement (SBITA) assets. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure, and transfers and adjustments.

**TABLE III
Capital Assets at Fiscal Year-End**

	Governmental Activities		Business-Type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
Land	\$ 16,618,750	\$ 14,770,585	\$ 538,350	\$ 538,350	\$ 17,157,100	\$ 15,308,935
CIP	23,858,297	23,124,610	1,339,702	1,006,235	25,197,999	24,130,845
Buildings	12,448,734	12,869,362	1,188,587	1,292,033	13,637,321	14,161,395
Machinery and equipment	6,007,654	6,311,973	1,759,792	1,902,465	7,767,446	8,214,438
Infrastructure	24,492,924	27,469,634	27,304,516	30,314,197	51,797,440	57,783,831
Right-to-use leased assets	1,883,622	1,407,294	415,450	153,233	2,299,072	1,560,527
Right-to-use SBITA assets	323,935	449,671	-	-	323,935	449,671
Total capital assets	\$ 85,633,916	\$ 86,403,129	\$ 32,546,397	\$ 35,206,513	\$ 118,180,313	\$ 121,609,642

Additional information on the City's capital assets can be found in Note 6 of the Notes to Financial Statements section of the Basic Financial Statements section of this report.

Long-term debt. As shown in the following Table IV, Outstanding Debt at Fiscal Year-End, at the end of the current fiscal year, the City had total bonded debt outstanding of \$58,240,004, consisting of General Obligation Bonds and Certificates of Obligation. These amounts do not include net unamortized premiums/(discounts) of \$3,773,623. Bonded debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All bonded debt payments were made when due. Total outstanding bonded debt decreased by \$4,285,000 for the current fiscal year due to the payment of principal (see Note 6).

**TABLE IV
Outstanding Debt at Fiscal Year-End**

	Governmental Activities		Business-Type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 1,701,067	\$ 2,492,064	\$ 1,298,937	\$ 1,902,940	\$ 3,000,004	\$ 4,395,004
Certificates of obligation	44,722,591	47,117,624	10,517,409	11,012,376	55,240,000	58,130,000
Lease obligation	1,583,742	1,307,916	335,942	154,548	1,919,684	1,462,464
SBITA obligation	281,943	383,611	-	-	281,943	383,611
Notes payable	1,819,297	2,298,964	-	-	1,819,297	2,298,964
Total	\$ 50,108,640	\$ 53,600,179	\$ 12,152,288	\$ 13,069,864	\$ 62,260,928	\$ 66,670,043

In August 2024, S&P Global Ratings raised its underlying rating (SPUR) to "AA+" from "AA" on the City's existing general obligation debt and certificates of obligation, and Moody's affirmed its "Aa2" rating. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 1.59%.

At the end of the current fiscal year, the City also had the following debt outstanding: total lease obligations of \$1,919,684, which increased \$457,220 from the prior year due primarily to new leases for vehicles and copiers; \$281,943 of total SBITA obligations, which decreased \$101,668 from the prior year due primarily to the termination and nonrenewal of certain software subscriptions; and \$1,819,297 of notes payable, which decreased \$479,667 from the prior year due to repayment of the principal.

Additional information on the City's long-term debt can be found in Note 6 of the Notes to Financial Statements section of the Basic Financial Statements section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continues to rely primarily on property tax to fund ongoing operations, reflecting a tax base that is approximately 85 percent residential. For the 2025 tax year, certified property values increased 3.48 percent over the 2024 certified values. Sales tax, the second-largest General Fund revenue source in FY 2024–2025, increased 9.5 percent compared to the prior fiscal year.

The City remains focused on implementing its Embracing the Future – 2030 Strategic Plan, which advances its vision of being a conveniently located community that delivers outstanding services, actively engages residents, and offers a balanced mix of high-quality retail, restaurants, and entertainment. Strategic investments continue in economic development, mobility initiatives, the transit-oriented development (TOD) district, infrastructure, quality growth, regional partnerships, broadband expansion, and workforce development.

Several mixed-use and residential developments are underway or in planning stages and are expected to accommodate approximately 7,000 new residents. These projects are anticipated to significantly expand the tax base and generate measurable growth in ad valorem and sales tax revenues in the coming years.

The City Council approved a tax rate of \$0.53709 for fiscal year 2025-2026. General operations and maintenance will receive \$0.39249 of the total and the remaining \$0.14460 will fund long-term debt of the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, City of Corinth, 3300 Corinth Parkway, Corinth, Texas, 76208.



BASIC FINANCIAL STATEMENTS

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Assets					
Cash and cash equivalents	\$ 14,144,043	\$ 11,033,113	\$ 25,177,156	\$ 1,325,394	\$ -
Investments	20,417,961	11,846,082	32,264,043	814,295	-
Receivables (net of allowance)					
Accounts	6,557,943	3,404,223	9,962,166	241,539	-
Inventories	14,978	105,279	120,257	-	-
Prepaid items	49,533	-	49,533	-	-
Capital assets not being depreciated					
Land	16,618,750	538,350	17,157,100	4,575,099	1,081,218
Construction in progress	23,858,297	1,339,702	25,197,999	-	-
Capital assets (net of accumulated depreciation/amortization)					
Buildings	12,448,734	1,188,587	13,637,321	-	-
Machinery and equipment	6,007,654	1,759,792	7,767,446	-	-
Infrastructure	24,492,924	27,304,516	51,797,440	-	-
Right to use leased assets	1,883,622	415,450	2,299,072	-	-
Right to use SBITA assets	323,935	-	323,935	-	-
Total assets	<u>126,818,374</u>	<u>58,935,094</u>	<u>185,753,468</u>	<u>6,956,327</u>	<u>1,081,218</u>
Deferred Outflows of Resources					
Deferred loss from refunding	-	6,923	6,923	-	-
Deferred outflows - pension	2,892,165	408,889	3,301,054	57,917	-
Deferred outflows - OPEB	62,836	7,600	70,436	1,072	-
Total deferred outflows of resources	<u>2,955,001</u>	<u>423,412</u>	<u>3,378,413</u>	<u>58,989</u>	<u>-</u>
Liabilities					
Accounts payable	867,306	3,645,885	4,513,191	3,573	-
Accrued liabilities	498,670	62,819	561,489	-	-
Accrued interest payable	244,599	57,896	302,495	-	-
Municipal court bonds	15,903	-	15,903	-	-
Customer meter deposits	-	871,228	871,228	-	-
Other liabilities	2,041,295	-	2,041,295	-	-
Unearned revenues	146,839	740,518	887,357	-	-
Noncurrent liabilities					
Due within one year	6,041,301	1,459,637	7,500,938	-	-
Due in more than one year	48,502,511	11,555,077	60,057,588	-	-
Net pension liability	6,362,295	840,446	7,202,741	104,951	-
Total OPEB liability	363,837	48,542	412,379	4,111	-
Total liabilities	<u>65,084,556</u>	<u>19,282,048</u>	<u>84,366,604</u>	<u>112,635</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas
 Statement of Net Position (Exhibit A-1)
 September 30, 2025

Deferred Inflows of Resources					
Deferred gain on refunding	166	-	166	-	-
Deferred inflows - lease related	861,301	-	861,301	-	-
Deferred inflows - pension	690,629	89,403	780,032	4,153	-
Deferred inflows - OPEB	139,641	17,149	156,790	2,376	-
Total deferred inflows of resources	<u>1,691,737</u>	<u>106,552</u>	<u>1,798,289</u>	<u>6,529</u>	<u>-</u>
Net Position					
Net investment in capital assets	45,454,827	26,388,060	71,842,887	4,575,099	1,081,218
Restricted for capital projects	2,759,047	3,646,975	6,406,022	-	-
Restricted for specific programs	3,302,379	-	3,302,379	-	-
Restricted for debt service	721,329	-	721,329	-	-
Restricted for economic development	-	-	-	2,321,053	-
Unrestricted	<u>10,759,500</u>	<u>9,934,871</u>	<u>20,694,371</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ 62,997,082</u>	<u>\$ 39,969,906</u>	<u>\$ 102,966,988</u>	<u>\$ 6,896,152</u>	<u>\$ 1,081,218</u>

	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	\$ 17,721,483	\$ 7,087,302	\$ -	\$ 1,335,227
Community services	3,188,752	124,970	-	-
Public works	5,737,449	1,129,256	-	-
Planning and community development	1,667,151	1,718,180	-	-
City administration	4,677,145	38,515	161,270	-
Finance and administrative services	1,370,932	-	-	-
Interest on long-term debt	1,539,083	-	431,685	-
Total governmental activities	<u>35,901,995</u>	<u>10,098,223</u>	<u>592,955</u>	<u>1,335,227</u>
Business-type activities				
Water and wastewater	21,606,046	17,699,778	-	907,216
Storm drainage	1,332,756	820,251	-	23,368
Total business-type activities	<u>22,938,802</u>	<u>18,520,029</u>	<u>-</u>	<u>930,584</u>
Total primary government	<u>58,840,797</u>	<u>28,618,252</u>	<u>592,955</u>	<u>2,265,811</u>
Component units				
Corinth Economic Development Corporation	684,286	-	-	-
Corinth Economic Development Foundation	-	-	-	-
Total component units	<u>\$ 684,286</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel occupancy tax				
Vehicle tax				
Investment income (loss)				
Other income				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Change in Accounting Principle (Note 11)				
Net position, beginning, as restated				
Net position, ending				

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas
Statement of Activities (Exhibit A-2)
Year Ended September 30, 2025

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
\$ (9,298,954)	\$ -	\$ (9,298,954)		
(3,063,782)	-	(3,063,782)		
(4,608,193)	-	(4,608,193)		
51,029	-	51,029		
(4,477,360)	-	(4,477,360)		
(1,370,932)	-	(1,370,932)		
<u>(1,107,398)</u>	<u>-</u>	<u>(1,107,398)</u>		
<u>(23,875,590)</u>	<u>-</u>	<u>(23,875,590)</u>		
-	(2,999,052)	(2,999,052)		
<u>-</u>	<u>(489,137)</u>	<u>(489,137)</u>		
-	(3,488,189)	(3,488,189)		
<u>(23,875,590)</u>	<u>(3,488,189)</u>	<u>(27,363,779)</u>		
			\$ (684,286)	\$ -
			<u>-</u>	<u>-</u>
			<u>(684,286)</u>	<u>-</u>
18,820,084	-	18,820,084	-	-
4,078,154	-	4,078,154	1,389,529	-
1,261,367	-	1,261,367	-	-
129,461	-	129,461	-	-
158,590	-	158,590	-	-
1,805,674	997,717	2,803,391	79,655	-
969,535	684	970,219	-	-
772,452	(772,452)	-	-	-
<u>27,995,317</u>	<u>225,949</u>	<u>28,221,266</u>	<u>1,469,184</u>	<u>-</u>
<u>4,119,727</u>	<u>(3,262,240)</u>	<u>857,487</u>	<u>784,898</u>	<u>-</u>
59,020,342	43,232,146	102,252,488	6,111,254	1,081,218
(142,987)	-	(142,987)	-	-
<u>58,877,355</u>	<u>43,232,146</u>	<u>102,109,501</u>	<u>6,111,254</u>	<u>1,081,218</u>
<u>\$ 62,997,082</u>	<u>\$ 39,969,906</u>	<u>\$ 102,966,988</u>	<u>\$ 6,896,152</u>	<u>\$ 1,081,218</u>

	General	Debt Service	2023 CO Fund
Assets			
Cash and cash equivalents	\$ 4,251,458	\$ 867,737	\$ 258,482
Investments	6,549,163	-	6,867,946
Receivables (net of allowance)			
Property taxes	273,449	94,546	-
Sales taxes	475,528	-	-
Accounts	869	-	-
Interest	105,540	3,543	17,140
Warrants	1,331,862	-	-
Ambulance	1,238,072	-	-
Leases	872,322	-	-
Miscellaneous	384,419	-	-
Due from other governments	172,831	2,617	-
Inventories	14,978	-	-
Prepaid items	36,033	-	-
	<u>\$ 15,706,524</u>	<u>\$ 968,443</u>	<u>\$ 7,143,568</u>
Liabilities			
Accounts payable	\$ 574,717	\$ 2,515	\$ -
Accrued liabilities	430,683	-	-
Municipal court bonds	15,903	-	-
Other liabilities	1,297,453	-	-
Unearned revenue	-	-	-
Total liabilities	<u>2,318,756</u>	<u>2,515</u>	<u>-</u>
Deferred Inflows of Resources			
Lease related	861,301	-	-
Unavailable revenue	1,741,056	93,210	-
Total deferred inflows of resources	<u>2,602,357</u>	<u>93,210</u>	<u>-</u>
Fund Balances			
Nonspendable	51,011	-	-
Restricted	-	872,718	7,143,568
Committed	-	-	-
Unassigned	10,734,400	-	-
Total fund balances	<u>10,785,411</u>	<u>872,718</u>	<u>7,143,568</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,706,524</u>	<u>\$ 968,443</u>	<u>\$ 7,143,568</u>

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas
 Balance Sheet – Governmental Funds (Exhibit A-3)
 September 30, 2025

Other Governmental Funds	Total Governmental Funds
\$ 8,766,366 7,000,852 - 223,159 34,911 47,639 - - - 1,279,496 - - 13,500	\$ 14,144,043 20,417,961 367,995 698,687 35,780 173,862 1,331,862 1,238,072 872,322 1,663,915 175,448 14,978 49,533
\$ 17,365,923	\$ 41,184,458
\$ 290,074 67,987 - 743,842 53,002 1,154,905	\$ 867,306 498,670 15,903 2,041,295 53,002 3,476,176
1,157,808	2,992,074
1,157,808	3,853,375
13,500 11,861,704 3,178,006 - 15,053,210	64,511 19,877,990 3,178,006 10,734,400 33,854,907
\$ 17,365,923	\$ 41,184,458

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City of Corinth, Texas
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position (Exhibit A-4)
September 30, 2025

Total Fund Balances - Governmental Funds	\$ 33,854,907
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	85,633,916
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:	
Leases payable	(1,583,742)
SBITAs payable	(281,943)
Bonds payable	(49,437,787)
Notes payable	(1,819,297)
Accrued compensated absences	(1,411,505)
Deferred gain on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.	(166)
Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position.	(244,599)
Included in liabilities is the recognition of the City's net pension liability in the amount of \$6,362,295, a deferred inflow of resources of \$690,629 and a deferred outflow of resources of \$2,892,165. This results in a decrease in net position.	(4,160,759)
Included in liabilities is the recognition of the City's total OPEB liability in the amount of \$373,375, a deferred inflow of resources of \$139,641, and a deferred outflow of resources of \$62,836. This results in a decrease in net position.	(450,180)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$362,893, net fines, fees and court costs receivable of \$161,245, net fees for ambulance receivables of \$1,152,010, franchise tax receivable for \$64,124, grant receivable of \$1,157,808, and net receivable for other items of \$157, were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.	2,898,237
Net Position of Governmental Activities	\$ 62,997,082

The accompanying notes are an integral part of these financial statements.

	General	Debt Service	2023 CO Fund
Revenues			
Taxes			
Property	\$ 13,550,864	\$ 5,006,204	\$ -
Sales	2,806,094	-	-
Hotel occupancy tax	-	-	-
Franchise	1,302,144	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Utility fees	38,515	-	-
Traffic fines and forfeitures	629,099	-	-
Development fees and permits	1,718,180	-	-
Police fees and permits	821,435	-	-
Parks and recreation fees	82,014	-	-
Fire services	4,322,048	-	-
Donations	-	-	-
Investment income	625,488	79,198	306,811
Grants	14,392	-	-
Miscellaneous income	114,727	431,685	-
Charges for services	124,970	-	-
Total revenues	<u>26,149,970</u>	<u>5,517,087</u>	<u>306,811</u>
Expenditures			
Current			
Public safety	14,996,554	-	-
Community services	2,794,456	-	-
Public works	1,390,436	-	-
Planning and community development	1,622,107	-	-
City administration	3,864,865	-	-
Finance and administrative services	1,379,747	-	-
Debt service			
Principal	391,565	3,539,878	-
Interest	69,577	1,775,631	-
Issuance cost and fees	-	3,100	-
Capital outlay	711,205	-	-
Total expenditures	<u>27,220,512</u>	<u>5,318,609</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(1,070,542)	198,478	306,811
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Issuance of leases	171,677	-	-
Issuance of SBITAs	125,319	-	-
Transfers out	(1,311,256)	(477,674)	-
Transfers in	2,294,906	23,211	-
Total other financing sources (uses)	<u>1,280,646</u>	<u>(454,463)</u>	<u>-</u>
Net Change in Fund Balance	210,104	(255,985)	306,811
Fund Balance - October 1 (Beginning)	<u>10,575,307</u>	<u>1,128,703</u>	<u>6,836,757</u>
Fund Balance - September 30 (Ending)	<u>\$ 10,785,411</u>	<u>\$ 872,718</u>	<u>\$ 7,143,568</u>

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit A-5)
Year Ended September 30, 2025

Other Governmental Funds	Total Governmental Funds
\$ 143,674	\$ 18,700,742
1,272,060	4,078,154
129,461	129,461
-	1,302,144
158,590	158,590
1,129,256	1,129,256
-	38,515
67,377	696,476
-	1,718,180
56,574	878,009
515,195	597,209
78,361	4,400,409
161,270	161,270
794,177	1,805,674
163,027	177,419
1,046,889	1,593,301
-	124,970
5,715,911	37,689,779
989,893	15,986,447
143,736	2,938,192
502,998	1,893,434
-	1,622,107
275,931	4,140,796
-	1,379,747
528,496	4,459,939
55,276	1,900,484
-	3,100
4,915,363	5,626,568
7,411,693	39,950,814
(1,695,782)	(2,261,035)
58,598	58,598
681,986	853,663
19,075	144,394
(1,516,715)	(3,305,645)
1,759,980	4,078,097
1,002,924	1,829,107
(692,858)	(431,928)
15,746,068	34,286,835
\$ 15,053,210	\$ 33,854,907

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City of Corinth, Texas
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental
 Funds to the Statement of Activities (Exhibit A-6)
 Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$		(431,928)
Amounts reported for governmental activities in the statement of activities are different because:			
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.			5,164,897
The net book value of capital assets disposed reduces net position.			(111,718)
Depreciation and amortization are not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.			(5,822,392)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Issuance of leases		(853,663)	
Issuance of SBITAs		(144,394)	
Issuance of notes payable		(19,269)	
Bond principal repayments		3,186,030	
Lease principal repayment		577,837	
SBITA principal repayment		246,062	
Notes payable principal repayment		498,936	
Amortization of bond premium		337,123	
Amortization of deferred gain on bond refunding		169	
			3,828,831
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.			401,742
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The current year change in the interest accrual is a decrease in net position.			(21,717)
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$1,984,640. The City's unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$2,449,050.			(464,410)
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$28,945. The City's unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's OPEB expense must be recognized. These cause the change in net position to increase in the amount of \$12,014.			16,931
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in an increase in net position.			1,559,491
Change in Net Position of Governmental Activities	\$		4,119,727

The accompanying notes are an integral part of these financial statements.

	Enterprise Funds		
	Water and Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 10,291,087	\$ 742,026	\$ 11,033,113
Investments	11,342,060	504,022	11,846,082
Receivables (net of allowance)			
Accounts	2,494,538	96,874	2,591,412
Interest	65,467	4,619	70,086
Miscellaneous	742,725	-	742,725
Inventories	102,891	2,388	105,279
Total current assets	<u>25,038,768</u>	<u>1,349,929</u>	<u>26,388,697</u>
Noncurrent assets			
Capital assets			
Land	526,350	12,000	538,350
Construction in progress	692,781	646,921	1,339,702
Buildings	1,911,916	-	1,911,916
Machinery and equipment	2,565,056	371,210	2,936,266
Infrastructure	54,000,555	9,343,755	63,344,310
Right to use leased assets	612,931	55,621	668,552
Less accumulated amortization	(247,193)	(5,909)	(253,102)
Less accumulated depreciation	<u>(33,121,623)</u>	<u>(4,817,974)</u>	<u>(37,939,597)</u>
Total capital assets, net	<u>26,940,773</u>	<u>5,605,624</u>	<u>32,546,397</u>
Total assets	<u>51,979,541</u>	<u>6,955,553</u>	<u>58,935,094</u>
Deferred Outflows of Resources			
Deferred charge on refunding	6,923	-	6,923
Deferred outflows - pension	358,722	50,167	408,889
Deferred outflows - OPEB liability	6,810	790	7,600
Total deferred outflows of resources	<u>372,455</u>	<u>50,957</u>	<u>423,412</u>
Liabilities			
Current liabilities			
Accounts payable	3,621,070	24,815	3,645,885
Accrued liabilities	58,514	4,305	62,819
Accrued interest payable	57,896	-	57,896
Customer deposits	871,228	-	871,228
Current portion of leases	78,847	8,378	87,225
Current portion of compensated absences	99,758	1,114	100,872
Current portion of bonds	1,270,267	-	1,270,267
Current portion of total OPEB liability	1,187	86	1,273
Unearned revenue	740,518	-	740,518
Total current liabilities	<u>6,799,285</u>	<u>38,698</u>	<u>6,837,983</u>

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas
 Statement of Net Position – Proprietary Funds (Exhibit A-7)
 September 30, 2025

Noncurrent liabilities			
Leases	217,389	31,328	248,717
Compensated absences	-	787	787
Net pension liability	743,200	97,246	840,446
Total OPEB liability	45,248	3,294	48,542
Bonds	11,305,573	-	11,305,573
Total noncurrent liabilities	<u>12,311,410</u>	<u>132,655</u>	<u>12,444,065</u>
Total liabilities	<u>19,110,695</u>	<u>171,353</u>	<u>19,282,048</u>
Deferred Inflows of Resources			
Deferred inflows - pension	81,555	7,848	89,403
Deferred inflows - OPEB	15,236	1,913	17,149
Total deferred inflows of resources	<u>96,791</u>	<u>9,761</u>	<u>106,552</u>
Net Position			
Net investment in capital assets	20,822,142	5,565,918	26,388,060
Restricted for capital projects	3,646,975	-	3,646,975
Unrestricted	8,675,393	1,259,478	9,934,871
Total net position	<u>\$ 33,144,510</u>	<u>\$ 6,825,396</u>	<u>\$ 39,969,906</u>

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City of Corinth, Texas

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds (Exhibit A-8)
Year Ended September 30, 2025

	Enterprise Funds		
	Water and Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
Operating Revenues			
Charges for sales and services:			
Water sales	\$ 9,596,834	\$ -	\$ 9,596,834
Wastewater disposal	5,745,756	-	5,745,756
Storm drainage fees	-	788,359	788,359
Garbage	1,557,037	-	1,557,037
Penalties and reconnect fees	214,914	-	214,914
Tap fees	489,080	-	489,080
Service fees	1,375	-	1,375
Inspections	94,782	31,892	126,674
Total Operating Revenues	<u>17,699,778</u>	<u>820,251</u>	<u>18,520,029</u>
Operating Expenses			
Wages and benefits	2,579,246	241,950	2,821,196
Professional services and contracts	2,886,135	496,178	3,382,313
Upper Trinity contract fees	7,905,127	-	7,905,127
Maintenance and operations	3,451,646	57,523	3,509,169
Supplies	78,427	8,891	87,318
Utilities and communication	706,561	2,454	709,015
Vehicles/equipment and fuel	103,226	23,266	126,492
Travel and training	43,607	3,284	46,891
Amortization	95,289	8,900	104,189
Depreciation	2,655,775	486,322	3,142,097
Total Operating Expenses	<u>20,505,039</u>	<u>1,328,768</u>	<u>21,833,807</u>
Operating Loss	<u>(2,805,261)</u>	<u>(508,517)</u>	<u>(3,313,778)</u>
Nonoperating Revenues (Expenses)			
Interest income	941,357	56,360	997,717
Miscellaneous income (expense)	684	-	684
Loss on sale of capital assets	(728,171)	-	(728,171)
Interest expense	(372,836)	(3,988)	(376,824)
Total Nonoperating (Expenses) Revenues	<u>(158,966)</u>	<u>52,372</u>	<u>(106,594)</u>
Income Before Contributions and Transfers	<u>(2,964,227)</u>	<u>(456,145)</u>	<u>(3,420,372)</u>
Contributions and Transfers			
Special assessment - water and wastewater impact fees	734,781	-	734,781
Capital contributions	172,435	23,368	195,803
Transfers in	1,333,207	282,797	1,616,004
Transfers out	(2,044,293)	(344,163)	(2,388,456)
Total Contributions and Transfers	<u>196,130</u>	<u>(37,998)</u>	<u>158,132</u>
Change in Net Position	(2,768,097)	(494,143)	(3,262,240)
Net Position, Beginning	<u>35,912,607</u>	<u>7,319,539</u>	<u>43,232,146</u>
Net Position, Ending	<u>\$ 33,144,510</u>	<u>\$ 6,825,396</u>	<u>\$ 39,969,906</u>

The accompanying notes are an integral part of these financial statements.

	Enterprise Funds		
	Water and Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 17,259,697	\$ 811,316	\$ 18,071,013
Payments to or on behalf of employees	(2,541,965)	(235,868)	(2,777,833)
Payments to Upper Trinity for contract fees	(7,905,127)	-	(7,905,127)
Payments to suppliers	(5,213,792)	(632,549)	(5,846,341)
Net Cash Provided by (Used in) Operating Activities	1,598,813	(57,101)	1,541,712
Cash Flows from Noncapital Financing Activities			
Transfers out	(2,044,293)	(344,163)	(2,388,456)
Transfers in	1,333,207	282,797	1,616,004
Net Cash Used by Noncapital Financing Activities	(711,086)	(61,366)	(772,452)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(776,685)	(62,985)	(839,670)
Principal paid on bonds	(1,098,970)	-	(1,098,970)
Principal paid on leases	(89,958)	(7,516)	(97,474)
Interest paid on bonds	(506,322)	(3,988)	(510,310)
Special assessments- impact fees	734,781	-	734,781
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,737,154)	(74,489)	(1,811,643)
Cash Flows from Investing Activities			
Decrease (increase) in short-term investments	(1,678,471)	(21,716)	(1,700,187)
Interest received	881,539	51,741	933,280
Net Cash (Used) Provided by Investing Activities	(796,932)	30,025	(766,907)
Net Change in Cash and Cash Equivalents	(1,646,359)	(162,931)	(1,809,290)
Cash and Cash Equivalents, Beginning	11,937,446	904,957	12,842,403
Cash and Cash Equivalents, Ending	\$ 10,291,087	\$ 742,026	\$ 11,033,113

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)
Year Ended September 30, 2025

	Wastewater Fund	Drainage Fund	Enterprise Funds
Reconciliation of Operating Loss to Net			
Cash Provided by (Used in) Operating Activities			
Operating loss	\$ (2,805,261)	\$ (508,517)	\$ (3,313,778)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation and amortization	2,751,064	495,222	3,246,286
(Increase) decrease in accounts receivable	(520,711)	(8,935)	(529,646)
(Increase) decrease in inventories	4,807	3,956	8,763
(Increase) decrease in prepaid items	9,451	450	9,901
Increase (decrease) in accounts payable	1,636,077	(45,359)	1,590,718
Increase (decrease) in customer deposits	80,630	-	80,630
Increase (decrease) in accrued liabilities	442,756	6,082	448,838
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,598,813</u>	<u>\$ (57,101)</u>	<u>\$ 1,541,712</u>
Noncash Investing and Financing Activities			
Infrastructure contributed by developers	\$ 172,435	\$ 23,368	\$ 195,803
Assets acquired through issuance of leases	234,675	-	234,675

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Note 1 - Reporting Entity

The City of Corinth, Texas (the City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The financial statements of the City have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended, include whether:

- the organization is legally separate (can sue and be sued in their own name),
- the City holds the corporate powers of the organization,
- the City appoints a voting majority of the organization's board,
- the City is able to impose its will on the organization,
- the organization has the potential to impose a financial benefit/burden on the City,
- there is fiscal dependency by the organization on the City.

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, requires inclusion of such an organization as a component unit when: 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; 2) the City or its component units are entitled to, or have the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the City.

Based on the criteria above, the City has the following component units:

Blended component units. The Corinth Crime Control and Prevention District (CCD) was organized under state law, serves all the citizens of the City, and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of crime reduction programs authorized by the City. The Fire District was organized under state law, serves all the citizens of the City, and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of fire control, prevention, and emergency services authorized by the City. The CCD and Fire District are governed by a board of directors, the members of which are appointed and serve at the discretion of the City Council. Because the CCD and Fire District boards are made up of the City Council, the CCD and Fire District meet the standard that the board is substantially the same as the City Council. The CCD and Fire District provide services entirely to the City. Therefore, the CCD and Fire District are reported as blended component units. The CCD and Fire District are reported as a special revenue funds and do not issue separate financial statements.

Discretely presented component units. The Corinth Economic Development Corporation (CEDC) was organized under state law for the purpose of promoting economic development. State statutes define projects that the corporation may fund. The CEDC is governed by a board of directors that is appointed by and serves at the discretion of the City Council. The City has the ability to impose its will on the CEDC. The CEDC is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. The CEDC does not issue separate financial statements.

The Corinth Economic Development Foundation (CEDF) was organized as a nonprofit corporation to promote and enhance the economic and business community in the City of Corinth. The CEDF is governed by a board of directors that is appointed by and serves at the discretion of the City Council. The CEDF is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. The CEDF does not issue separate financial statements.

Note 2 - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements.

Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- **General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.
- **Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- **2023 CO Fund** – The 2023 CO Fund is used to account for the resources obtained from the issuance of the 2023 \$10,980,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.

The City reports the following major proprietary fund types:

- **Water and Wastewater Fund** – The Water and Wastewater Fund provides water and wastewater services to the residents and businesses of the City. The activities supporting the delivery of services are accounted for in this fund, including operations and maintenance, administration, billing, financing and debt service. The Water and Wastewater Fund is financed and operated in a manner similar to private business enterprises, where the determination of net income is necessary or useful to sound financial administration.
- **Storm Drainage Fund** – The Storm Drainage Utility Fund is used to protect the public health and safety from damage caused by surface water overflows, and surface water stagnation and pollution within the city.

Additionally, the City reports the following fund types:

- Nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes or committed for special projects.
- Nonmajor capital projects funds are used to account for acquisition and construction of major capital facilities (other than those accounted for within the City's proprietary funds) and vehicle replacement funds. Capital projects are funded primarily through certificates of obligation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

Note 4 - Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments for the City and CEDC are reported at fair value (generally based on quoted market prices), except for the positions in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with the requirements of the Securities and Exchange Commission’s (SEC’s) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended.

Accordingly, TexPool and TexSTAR qualify as 2a-7-like pools and are reported at amortized cost. The pools are subject to regulatory oversight by the State Comptroller, although they are not registered with the SEC.

Fair Value Measurements

Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1 that are for similar assets or liabilities. U.S. government-backed securities are valued using Level 2 inputs that are valued using a matrix pricing model.
- Level 3 inputs are unobservable inputs for an asset or liability either directly or indirectly.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance totaled \$2,547,330 for General Fund, \$8,091 for Debt Service Fund, \$96,328 for Water and Wastewater Fund and \$190 for Storm Drainage Fund.

Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items

Prepaid items on the balance sheet are accounted for using the consumption method and are recognized as expenditures over the periods in which the service is provided.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS’s fiduciary net position has been determined on the same basis as it is reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City has a deferred charge on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City has deferred outflows of resources related to pensions as described in Note 7. The City also has deferred outflows of resources related to its Supplemental Death Benefits Plan as described in Note 8.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has five items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, ambulance services and other items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease. The City also has deferred inflows of resources related to pensions as described in Note 7 and related to its Supplemental Death Benefits Plan as described in Note 8. The City has a deferred inflow on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as in the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Other property, plant, equipment, and infrastructure of the City, and its component units, are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Land improvements	10-20 years
Machinery and equipment	5-20 years
Office and computer equipment	3-10 years
Water and wastewater system infrastructure	20-40 years
Storm drainage system infrastructure	20-40 years
Streets	20-50 years
Park equipment	10-20 years

Right to use leased assets are recognized at the lease commencement date and represent the City’s right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 36 to 84 months.

Right to use subscription IT assets are recognized at the subscription commencement date and represent City’s right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 27 to 60 months.

Lease Receivables

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Future lease payments to be received are discounted based on the interest rate the City charges the lessee.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Lease liabilities represent the City’s obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. Future lease payments are discounted based on a borrowing rate determined by the City.

Compensated Absences

Accumulated earned but unused vacation, holiday, compensatory time and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. Eligible employees are reimbursed upon separation from service for accumulated vacation, holiday, sick pay; non-exempt employees are reimbursed for vacation, holiday, compensatory time and sick leave.

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 reported amount of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2025, was \$.514 per \$100 of assessed valuation.

Fund Balance

The City classifies governmental fund balance in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- *Nonspendable* fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City had \$14,978 and \$36,033 in nonspendable fund balance for inventory and prepaid items, respectively, in the General Fund, and \$13,500 in nonspendable fund balance for prepaid items in other governmental funds at September 30, 2025.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt Service fund balance restricted for the retirement of funded indebtedness totaled \$872,718 as of September 30, 2025. Fund balance restricted for future capital projects included the 2023 CO Fund, 2016 CO Fund, 2019 CO Fund, and 2020 CO Fund and totaled \$7,143,568, \$2,072,403, \$2,582,132, and \$1,145,743, respectively. Special revenue fund balance restricted for specific programs included Crime Control and Prevention, Hotel Motel Tax, Keep Corinth Beautiful, County Child Safety, Special Revenue, Municipal Court Security, Municipal Court Technology, Police Confiscation – State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Reinvestment Zone #2, Short-term Rental Vehicle Tax, Reinvestment Zone #3, and Consolidated Municipal Court Security and Technology, respectively totaled \$684,228, \$129,862, \$34,280, \$59,515, \$5,496, \$117,307, \$54,729, \$18,191, \$402,773, \$61,020, \$732,975, \$2,759,047, \$256,126, \$263,575, \$313,593, \$153,723, and \$14,986, respectively, as of September 30, 2025.
- *Committed* fund balance is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special Revenue fund balance committed for specific programs totaled \$287,702 as of September 30, 2025. Capital project fund balances committed for future projects included the Governmental Capital Projects, Vehicle Replacement, LCFD Vehicle and Equipment Replacement, Tech Equipment Replacement, and LCFD Public Property and totaled \$1,199,511, \$482,892, \$97,416, \$1,084,463, and \$26,022, respectively, as of September 30, 2025.

- *Assigned* fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund but do not meet the criteria to be classified as restricted or committed. Per the City's Fund Balance Policy, the City Council authorizes the City Manager as the City Official responsible for the assignment of fund balance to a specific purpose.

- *Unassigned* fund balance is the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

Minimum Fund Balance Policy

The City Council has adopted a financial policy to maintain an unassigned fund balance in the General Fund equal to 20% of expenditures and in the Water and Wastewater Fund and Storm Drainage Fund equal to 25% of expenses. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Flow Assumptions

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned, then unassigned fund balance.

Net Position

Net position represents the difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources. The City's net position is composed of the following:

Net Investment in Capital Assets is the component of net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction, or improvements of these capital assets. The net investment in capital assets is made up of the following:

	Governmental Activities	Water and Wastewater Fund	Storm Drainage Fund	Business- Type Activities
Net carrying value of capital assets	\$ 85,633,916	\$ 26,940,773	\$ 5,605,624	\$ 32,546,397
Less:				
Outstanding principal of capital debt and other capital borrowings	(50,108,640)	(12,112,582)	(39,706)	(12,152,288)
Unamortized balance of original issue premiums	(3,014,129)	(759,494)	-	(759,494)
Outstanding balance of capital related liabilities, including accounts payable	(194,942)	(3,291,529)	-	(3,291,529)
Unamortized balance of capital related deferred inflows of resources	(166)	-	-	-
Plus:				
Unamortized balance of capital related deferred outflows	-	6,923	-	6,923
Unspent bond proceeds from capital related debt	13,138,788	10,038,051	-	10,038,051
Net investment in capital assets	\$ 45,454,827	\$ 20,822,142	\$ 5,565,918	\$ 26,388,060

Restricted for Capital Projects is the component of net position that reports the difference between assets and liabilities with constraints placed on their use by roadway impact fees and other restrictions.

Restricted for Specific Programs is the component of net position that reports the difference between assets and liabilities with constraints placed on their use by external parties.

Restricted for Debt Service is the component of net position that reports the difference between assets and liabilities of the Debt Service Fund, net of accrued interest, with constraints placed on their use by the bond covenants.

Restricted for Economic Development is the component of net position that reports the difference between assets and liabilities of the discretely presented component units.

Unrestricted is the difference between the assets and liabilities that are not reported in net position invested in capital assets, net position restricted for debt service, net position restricted for capital projects, and net position restricted for specific programs.

Implementation of GASB Statement No. 101

As of October 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 11.

Implementation of GASB Statement No. 102

As of October 1, 2024, the City adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There were no significant concentrations or constraints that warranted disclosure as a result of implementation of this standard.

Note 5 - Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund; Crime Control and Prevention, Hotel/Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation - State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Broadband Utility, Reinvestment Zone #2, Short-term Rental Vehicle Tax, and Reinvestment Zone #3 special revenue funds; and the Debt Service fund. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (i.e., grant awards and city council resolutions) that sometimes span a period of more than one fiscal year.

The annual budget is adopted by fund, functional department, and division. Budget transfers between divisions within the same department may be initiated by staff and approved by the Director. Transfers between functional departments require approval from the Director, Budget Manager, and Finance Director. Transfers between funds may require City Council approval. All appropriation transfers are subject to final approval by the City Manager.

The legal level of budgetary control is established at the fund level; therefore, expenditures may not legally exceed total appropriations within a fund. The City Manager is authorized to approve budget amendments that modify departmental or operating appropriations.

Appropriations for all budgeted funds lapse at fiscal year-end, even when related encumbrances exist. Encumbrances represent commitments for unperformed contracts for goods or services, including purchase orders, contracts, and other binding agreements.

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Note 6 - Detailed Notes on All Funds

Cash and Investments

Custodial Credit Risk. Cash deposits of the City, CEDC and CEDF at September 30, 2025, were entirely secured by FDIC insurance and pledged collateral held by the City’s agent bank. At September 30, 2025, bank balances of \$28,165,266 were on deposit with the contracted depository bank.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) Texas local government investment pools; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); and (6) reverse repurchase agreements not to exceed 90 days to stated maturity.

Following are the City’s investments at September 30, 2025, including classification by level within the fair value hierarchy:

Primary Government

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>	<u>Withdrawal or Liquidity Restrictions</u>	
TexSTAR	\$ 26,261,374	N/A	AAAm	< 60 days	None	
				<u>Investment Maturity in Years</u>		
<u>Other Investments</u>				<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>
U.S. Government Backed Securities	6,002,669	Level 2	AA+	\$ 1,002,670	\$ 4,999,999	\$ -
Total Investments	<u>\$ 32,264,043</u>			<u>\$ 1,002,670</u>	<u>\$ 4,999,999</u>	<u>\$ -</u>

CEDC

<u>Investment Pools</u>	<u>Reported Value</u>	<u>Level</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>	<u>Withdrawal or Liquidity Restrictions</u>	
TexPool	\$ 574,698	N/A	AAAm	< 60 days	None	
				<u>Investment Maturity in Years</u>		
<u>Other Investments</u>				<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5 Years</u>
Money Market	239,597	Level 1	N/A	\$ 239,597	\$ -	\$ -
Total Investments	<u>\$ 814,295</u>			<u>\$ 239,597</u>	<u>\$ -</u>	<u>\$ -</u>

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Hermes through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the pool can be obtained directly from the Texas Treasury Safekeeping Trust Company website. In addition, TexPool is subject to review by the State Auditor’s Office and by the internal auditors of the Comptroller’s Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools. TexSTAR is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to decline in fair value of securities by limiting the City to securities with maturities not to exceed 36 months from date of purchase. The City also manages the weighted average days to maturity for the operating funds portfolio to less than 365 days, and the reserve, special project and capital project funds to less than 365 days. The CEDC limits weighted average days to maturity for the operating funds portfolio to less than 270 days.

The City and CEDC invest in the public funds investment pools listed above, which have specified maximum weighted average maturities for their investment portfolios. The maximum weighted average maturity (WAM) of TexPool investment portfolios cannot exceed 60 days. TexSTAR also maintains a portfolio maximum WAM of 60 days.

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or AAAM (or equivalent) rating by at least one nationally recognized rating service. As of September 30, 2025, the City’s investments in TexPool and TexSTAR were both rated AAAM by S&P Global Ratings.

Concentration of Credit Risk. The City’s investment policy limits the investment portfolio by the following:

Investment	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury and Agency Callables	30%

Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 14,770,585	\$ 1,848,165	\$ -	\$ -	\$ 16,618,750
Construction in progress	23,124,610	1,134,289	(400,602)	-	23,858,297
Total assets not being depreciated	37,895,195	2,982,454	(400,602)	-	40,477,047
Capital assets, being depreciated:					
Buildings	18,658,945	81,871	88,635	-	18,829,451
Machinery and equipment	16,346,188	851,912	-	293,287	16,904,813
Infrastructure	113,695,923	-	311,967	-	114,007,890
Total capital assets being depreciated	148,701,056	933,783	400,602	293,287	149,742,154
Less accumulated depreciation					
Buildings	5,789,583	591,134	-	-	6,380,717
Machinery and equipment	10,034,215	1,150,102	-	287,158	10,897,159
Infrastructure	86,226,289	3,288,677	-	-	89,514,966
Total accumulated depreciation	102,050,087	5,029,913	-	287,158	106,792,842
Right to use leased assets, being amortized:					
Buildings	236,587	-	-	-	236,587
Machinery and equipment	2,389,692	1,102,372	-	599,811	2,892,253
Total right to use leased assets, being amortized:	2,626,279	1,102,372	-	599,811	3,128,840
Less accumulated amortization					
Buildings	141,951	47,317	-	-	189,268
Machinery and equipment	1,077,034	503,930	-	525,014	1,055,950
Total accumulated amortization	1,218,985	551,247	-	525,014	1,245,218
Total right to use leased assets being amortized, net	1,407,294	551,125	-	74,797	1,883,622
Right to use SBITA assets, being amortized:					
Software	813,279	146,288	-	199,462	760,105
Less accumulated amortization					
Software	363,608	241,232	-	168,670	436,170
Net right to use SBITA assets	449,671	(94,944)	-	30,792	323,935
Total leased and subscription IT assets, net	1,856,965	456,181	-	105,589	2,207,557
Total capital assets being depreciated, net	48,507,934	(3,639,949)	400,602	111,718	45,156,869
Governmental activities capital assets, net	\$ 86,403,129	\$ (657,495)	\$ -	\$ 111,718	\$ 85,633,916

City of Corinth, Texas
Notes to Financial Statements
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	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 538,350	\$ -	\$ -	\$ -	\$ 538,350
Construction in progress	1,006,235	423,689	(90,222)	-	1,339,702
Total assets not being depreciated	<u>1,544,585</u>	<u>423,689</u>	<u>(90,222)</u>	<u>-</u>	<u>1,878,052</u>
Capital assets, being depreciated:					
Buildings	1,911,916	-	-	-	1,911,916
Machinery and equipment	2,910,818	101,207	-	75,759	2,936,266
Infrastructure	64,073,355	491,488	90,222	1,310,755	63,344,310
Total capital assets being depreciated	<u>68,896,089</u>	<u>592,695</u>	<u>90,222</u>	<u>1,386,514</u>	<u>68,192,492</u>
Less accumulated depreciation					
Buildings	619,883	103,446	-	-	723,329
Machinery and equipment	1,008,353	243,880	-	75,759	1,176,474
Infrastructure	33,759,158	2,794,771	-	514,135	36,039,794
Total accumulated depreciation	<u>35,387,394</u>	<u>3,142,097</u>	<u>-</u>	<u>589,894</u>	<u>37,939,597</u>
Right to use leased assets, being amortized:					
Machinery and equipment	400,605	267,947	-	-	668,552
Total right to use leased assets, being amortized:	<u>400,605</u>	<u>267,947</u>	<u>-</u>	<u>-</u>	<u>668,552</u>
Less accumulated amortization					
Machinery and equipment	247,372	104,189	-	98,459	253,102
Total accumulated amortization	<u>247,372</u>	<u>104,189</u>	<u>-</u>	<u>98,459</u>	<u>253,102</u>
Total right to use leased assets being amortized, net	<u>153,233</u>	<u>163,758</u>	<u>-</u>	<u>(98,459)</u>	<u>415,450</u>
Total capital assets being depreciated, net	<u>33,661,928</u>	<u>(2,385,644)</u>	<u>90,222</u>	<u>698,161</u>	<u>30,668,345</u>
Business activities capital assets, net	<u>\$ 35,206,513</u>	<u>\$ (1,961,955)</u>	<u>\$ -</u>	<u>\$ 698,161</u>	<u>\$ 32,546,397</u>
CEDC					
Capital assets, not being depreciated					
Land	\$ 3,046,917	\$ 1,528,182	\$ -	\$ -	\$ 4,575,099
Total assets not being depreciated	<u>3,046,917</u>	<u>1,528,182</u>	<u>-</u>	<u>-</u>	<u>4,575,099</u>
CEDC capital assets, net	<u>\$ 3,046,917</u>	<u>\$ 1,528,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,575,099</u>
CEDF					
Capital assets, not being depreciated					
Land	\$ 1,081,218	\$ -	\$ -	\$ -	\$ 1,081,218
Total assets not being depreciated	<u>1,081,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,081,218</u>
CEDF capital assets, net	<u>\$ 1,081,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,081,218</u>

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
Public safety	\$ 1,346,780
Community services	207,772
Public works	3,863,186
Planning and community development	5,096
City administration	396,321
Finance and administrative services	3,237
Total depreciation/amortization expense - Governmental activities	\$ 5,822,392
Business-type activities	
Water and wastewater	\$ 2,751,064
Storm drainage	495,222
Total depreciation/amortization expense - Business-type activities	\$ 3,246,286

Lessee Activities

The City entered into various lease agreements as lessee for the use of buildings, machinery and equipment, and infrastructure. As of September 30, 2025, the value of the lease liability was \$1,919,684. The City is required to make monthly or annual principal and interest payments through May 2030. The lease liability was valued using a discount rate ranging from 0.63% to 3.51% as determined by the City’s management based on the City’s estimated incremental borrowing rate.

Lessor Activities

The City has accrued a receivable for two land leases. The remaining receivable for these leases was \$872,322 for the year ended September 30, 2025. The interest rate on the leases ranged from 0.804% – 4.371%. Final receipt is expected in fiscal year 2050.

Subscription IT Activities

As of September 30, 2025, the value of the SBITA liability was \$281,943. The City is required to make annual principal and interest payments through March 2030. The lease liability was valued using a discount rate ranging from 2.36% to 3.51% as determined by the City’s management based on the City’s estimated incremental borrowing rate.

Interfund Transfers

The composition of interfund transfers in/out as of September 30, 2025, is as follows:

Fund	Transfers In	Transfers Out	Purpose
General	\$ 2,294,906	\$ 1,311,256	Administrative Transfer, Contributions to Vehicle and Equipment Replacement
Debt Service	23,211	477,674	Administrative Transfer
Other Governmental	1,759,980	1,516,715	Contributions to Capital Projects/Budgetary Transfers
Water and Wastewater	1,333,207	2,044,293	Administrative Transfer, Capital Improvements
Storm Drainage	282,797	344,163	Administrative Transfer, Capital Improvements
	\$ 5,694,101	\$ 5,694,101	
Activities	Transfers In	Transfers Out	Purpose
Governmental Activities	\$ 772,452	\$ -	To repay governmental activities for prior transfers
Business-Type Activities			
Water and Wastewater Fund	-	711,086	To repay governmental activities for prior transfers
Storm Drainage Fund	-	61,366	To repay governmental activities for prior transfers
	\$ 772,452	\$ 772,452	

Long-term Obligations

Long-term obligations of the City’s governmental activities consist of general obligation bonds, certificates of obligation, lease liabilities, SBITAs and notes payable. Sources of retirement of general obligation bonds and certificates of obligation are provided from ad valorem tax. Governmental activities long-term obligations are paid primarily by the debt service fund.

Long-term obligations of the City’s business-type activities consist of general obligation bonds, certificates of obligation and lease liabilities. Business-type activities long-term obligations are serviced by revenue from the Water and Wastewater and Storm Drainage systems.

Compensated absences, net pension liability and total OPEB liability are paid from the fund out of which an employee is regularly paid, primarily the General Fund, Water and Wastewater Fund, Storm Drainage Fund and CEDC.

Governmental activity lease payments are currently being made from the General Fund, the Debt Service Fund and the Fire District Fund.

The following is a summary of changes in long-term obligations for the year ended September 30, 2025:

	Beginning Balance (as restated)	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	\$ 47,117,624	\$ -	\$ (2,395,033)	\$ 44,722,591	\$ 2,496,163
General obligation bonds	2,492,064	-	(790,997)	1,701,067	827,853
Bond premiums/discounts (net)	3,351,252	-	(337,123)	3,014,129	337,123
Compensated absences	1,813,247	-	(401,742)	1,411,505	1,161,637
Net pension liability	7,035,894	-	(673,599)	6,362,295	-
Total OPEB liability	368,168	5,207	-	373,375	9,538
Lease obligation	1,307,916	853,663	(577,837)	1,583,742	502,910
SBITA obligation	383,611	144,394	(246,062)	281,943	172,761
Notes payable	2,298,964	19,269	(498,936)	1,819,297	533,316
Total governmental activities	<u>\$ 66,168,740</u>	<u>\$ 1,022,533</u>	<u>\$ (5,921,329)</u>	<u>\$ 61,269,944</u>	<u>\$ 6,041,301</u>
Business-type activities					
Certificates of obligation	\$ 11,012,376	\$ -	\$ (494,967)	\$ 10,517,409	\$ 503,837
General obligation bonds	1,902,940	-	(604,003)	1,298,937	632,147
Bond premiums/discounts (net)	893,777	-	(134,283)	759,494	134,283
Compensated absences	129,826	-	(28,167)	101,659	100,872
Net pension liability	927,045	-	(86,599)	840,446	-
Total OPEB liability	49,147	668	-	49,815	1,273
Lease obligation	154,548	278,868	(97,474)	335,942	87,225
Total business type activities	<u>15,069,659</u>	<u>279,536</u>	<u>(1,445,493)</u>	<u>13,903,702</u>	<u>1,459,637</u>
Primary government	<u>\$ 81,238,399</u>	<u>\$ 1,302,069</u>	<u>\$ (7,366,822)</u>	<u>\$ 75,173,646</u>	<u>\$ 7,500,938</u>
CEDC					
Compensated absences	\$ 2,330	\$ -	\$ (2,330)	\$ -	\$ -
Net pension liability	108,268	-	(3,317)	104,951	-
Total OPEB liability	4,085	26	-	4,111	-
	<u>\$ 114,683</u>	<u>\$ 26</u>	<u>\$ (5,647)</u>	<u>\$ 109,062</u>	<u>\$ -</u>

City of Corinth, Texas
Notes to Financial Statements
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The following is a schedule of the General Obligation and Certificates of Obligation bonds:

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2025	Business Type Amount Outstanding 9/30/2025
Certificates of Obligation	4/21/2016	\$ 13,275,000	2.00%-5.00%	2/15/2036	\$ 9,795,000	\$ -
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	1,701,068	1,298,932
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	2,522,296	1,127,704
Certificates of Obligation	3/7/2019	19,205,000	2.75%-5.00%	2/15/2039	12,619,075	3,345,928
Certificates of Obligation	10/22/2020	9,260,000	2.00%-4.00%	2/15/2040	6,285,739	1,424,261
Certificates of Obligation	1/21/2021	4,740,000	1.70%-4.00%	2/15/2041	4,060,000	-
Certificates of Obligation	10/21/2021	4,285,000	2.00%-4.00%	2/15/2041	3,620,000	-
Certificates of Obligation	4/13/2023	10,980,000	4.00%-5.00%	2/15/2043	5,820,480	4,619,521
					<u>\$ 46,423,658</u>	<u>\$ 11,816,346</u>

The annual requirements to retire general long-term debt, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	\$ 3,324,016	\$ 1,582,055	\$ 4,906,071
2027	3,481,392	1,427,122	4,908,514
2028	2,727,474	1,280,547	4,008,021
2029	2,852,392	1,154,910	4,007,302
2030	2,982,065	1,033,451	4,015,516
2031-2035	16,536,661	3,522,472	20,059,133
2036-2040	12,642,606	1,071,316	13,713,922
2041-2043	1,877,052	85,372	1,962,424
Total	<u>\$ 46,423,658</u>	<u>\$ 11,157,245</u>	<u>\$ 57,580,903</u>

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	\$ 1,135,984	\$ 437,218	\$ 1,573,202
2027	1,193,608	381,844	1,575,452
2028	552,526	339,444	891,970
2029	577,608	313,956	891,564
2030	602,935	289,953	892,888
2031-2035	3,373,339	1,089,537	4,462,876
2036-2040	3,347,394	470,946	3,818,340
2041-2043	1,032,952	63,663	1,096,615
Total	<u>\$ 11,816,346</u>	<u>\$ 3,386,561</u>	<u>\$ 15,202,907</u>

The annual requirements to retire lease obligations, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	\$ 590,135	\$ 43,739	\$ 633,874
2027	518,912	29,669	548,581
2028	437,124	16,638	453,762
2029	233,824	7,410	241,234
2030	139,689	1,566	141,255
Total	\$ 1,919,684	\$ 99,022	\$ 2,018,706

The annual requirements to retire SBITA obligations, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	\$ 172,761	\$ 7,403	\$ 180,164
2027	71,118	3,020	74,138
2028	24,312	1,094	25,406
2029	13,752	354	14,106
Total	\$ 281,943	\$ 11,871	\$ 293,814

The annual requirements to retire notes payable, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	\$ 533,316	\$ -	\$ 533,316
2027	216,308	26,768	243,076
2028	221,632	25,074	246,706
2029	162,151	19,481	181,632
2030	165,872	15,759	181,631
2031-2034	520,018	24,879	544,897
Total	\$ 1,819,297	\$ 111,961	\$ 1,931,258

Note 7 - Defined Benefit Pension Plan

Plan Description

The City participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

At the December 31, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	132
Inactive employees entitled to but not yet receiving benefits	188
Active employees	189
Total	509

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.01% and 15.30% in calendar years 2024 and 2025, respectively. The City’s contributions to TMRS for the year ended September 30, 2025, were \$2,602,168, and were equal to the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over period ended December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	7.10%
Core Fixed Income	6.00%	5.00%
Non-Core Fixed Income	6.00%	6.80%
Other Private Markets	4.00%	7.30%
Real Estate	12.00%	6.70%
Infrastructure	6.00%	6.00%
Hedge Funds	5.00%	6.40%
Private Debt	13.00%	8.20%
Private Equity	13.00%	8.50%
Total	100.00%	

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

Changes in the Net Pension Liability

Entity-Wide	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2023	\$ 64,079,020	\$ 56,007,813	\$ 8,071,207
Changes for the year:			
Service cost	2,813,436	-	2,813,436
Interest	4,350,348	-	4,350,348
Change in benefit terms	-	-	-
Difference between expected and actual experience	1,372,674	-	1,372,674
Change in assumptions	-	-	-
Contributions - employer	-	2,424,952	(2,424,952)
Contributions - employee	-	1,079,126	(1,079,126)
Net investment income	-	5,834,091	(5,834,091)
Benefit payments, including refunds of contributions	(2,072,275)	(2,072,275)	-
Administrative expense	-	(37,322)	37,322
Other changes	-	(874)	874
Net changes	6,464,183	7,227,698	(763,515)
Balance at 12/31/2024	\$ 70,543,203	\$ 63,235,511	\$ 7,307,692

Primary Government	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2023	\$ 63,338,823	\$ 55,375,884	\$ 7,962,939
Changes for the year:			
Service cost	2,765,382	-	2,765,382
Interest	4,287,870	-	4,287,870
Change in benefit terms	-	-	-
Difference between expected and actual experience	1,352,960	-	1,352,960
Change in assumptions	-	-	-
Contributions - employer	-	2,390,126	(2,390,126)
Contributions - employee	-	1,063,628	(1,063,628)
Net investment income	-	5,750,303	(5,750,303)
Benefit payments, including refunds of contributions	(2,042,514)	(2,042,514)	-
Administrative expense	-	(36,786)	36,786
Other changes	-	(861)	861
Net changes	6,363,698	7,123,896	(760,198)
Balance at 12/31/2024	\$ 69,702,521	\$ 62,499,780	\$ 7,202,741

CEDC	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
	(a)	(b)	(a) - (b)
Balance at 12/31/2023	\$ 740,197	\$ 631,929	\$ 108,268
Changes for the year:			
Service cost	48,054	-	48,054
Interest	62,478	-	62,478
Change in benefit terms	-	-	-
Difference between expected and actual experience	19,714	-	19,714
Change in assumptions	-	-	-
Contributions - employer	-	34,826	(34,826)
Contributions - employee	-	15,498	(15,498)
Net investment income	-	83,788	(83,788)
Benefit payments, including refunds of contributions	(29,761)	(29,761)	-
Administrative expense	-	(536)	536
Other changes	-	(13)	13
Net changes	100,485	103,802	(3,317)
Balance at 12/31/2024	\$ 840,682	\$ 735,731	\$ 104,951

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 18,670,652	\$ 7,307,692	\$ (1,872,147)
Reported by Governmental Activities	16,255,227	6,362,295	(1,629,947)
Reported by Business-Type Activities	2,147,282	840,446	(215,313)
Reported by Component Unit, CEDC	268,143	104,951	(26,887)
	\$ 18,670,652	\$ 7,307,692	\$ (1,872,147)

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of \$3,099,413.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,374,331	\$ -	\$ 1,344,917	\$ -	\$ 29,414	\$ -
Changes in actuarial assumptions	-	49,294	-	780,032	-	(730,738)
Difference between projected and actual investment earnings	-	734,891	-	-	-	734,891
Contributions subsequent to the measurement date	1,984,640	-	1,956,137	-	28,503	-
Total	\$ 3,358,971	\$ 784,185	\$ 3,301,054	\$ 780,032	\$ 57,917	\$ 4,153

\$1,984,640 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended			
September 30:	Entity-Wide	Primary Govt	CEDC
2026	\$ 706,953	\$ 696,800	\$ 10,153
2027	1,081,600	1,066,066	15,534
2028	(787,695)	(776,382)	(11,313)
2029	(410,712)	(404,813)	(5,899)
	\$ 590,146	\$ 581,671	\$ 8,475

Note 8 - Other Post Employment Benefits

Plan Description

The City also participates in a single employer, 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 (Supplemental Death Benefits) for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

Benefits Provided

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 employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council. At the December 31, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	32
Active employees	189
Total	299

Contributions

The City contributes to the SDBF program at a contractually required rate. An annual actuarial valuation is performed, and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered-employee payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The SDBF program is voluntary and employers can cease participation by adopting an ordinance before November 1 of any year to be effective the following January 1. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees’ entire careers. The City’s contribution, which equaled the required contribution, was as follows for the year ended September 30:

	2025
Employer rate	0.23%
Employer contributions	\$ 39,545

Actuarial Assumptions

The total OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year	
Overall payroll growth	3.60% to 11.85% including inflation	
Investment rate of return	6.75% net of pension plan investment, expense, including inflation	

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.

Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2024, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period ended December 31, 2022.

A discount rate of 4.08% was based on the Bond Buyer “20-Bond GO Index” rate closest to, but not later than December 31, 2024.

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

At September 30, 2025, the City reported a total OPEB liability of \$427,301 measured at December 31, 2024. For the year ended September 30, 2025, the City recognized OPEB expense of \$18,357.

As of December 31, 2024, the discount rate used in the development of the total OPEB liability was 4.08% compared to 3.77% as of December 31, 2023.

Changes in the total OPEB liability for the measurement year ended December 31, 2024, are as follows:

	Total OPEB Liability		
	Entity-Wide	Primary Government	CEDC
Balance at December 31, 2023	\$ 421,400	\$ 417,315	\$ 4,085
Changes for the year:			
Service cost	29,291	29,037	254
Interest on total OPEB liability	16,236	16,079	157
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(3,186)	(3,155)	(31)
Effect of assumption changes or inputs	(25,649)	(25,400)	(249)
Benefit payments*	(10,791)	(10,686)	(105)
Balance as of December 31, 2024	<u>\$ 427,301</u>	<u>\$ 423,190</u>	<u>\$ 4,111</u>

*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) or 1 percentage point higher (5.08%) than the current rate.

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's total OPEB liability	\$ 518,048	\$ 427,301	\$ 357,040
Reported by Governmental Activities	452,670	373,375	311,981
Reported by Business-Type Activities	60,394	49,815	41,624
Reported by Component Unit, CEDC	4,984	4,111	3,435
	<u>\$ 518,048</u>	<u>\$ 427,301</u>	<u>\$ 357,040</u>

At December 31, 2024, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 25,406	\$ -	\$ 25,160	\$ -	\$ 246
Changes in actuarial assumptions	42,563	133,760	41,772	131,630	791	2,130
Contributions subsequent to the measurement date	28,945	-	28,664	-	281	-
Total	\$ 71,508	\$ 159,166	\$ 70,436	\$ 156,790	\$ 1,072	\$ 2,376

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2026 in the amount of \$28,945. The other net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2026	\$ (30,496)	\$ (30,271)	\$ (225)
2027	(37,292)	(37,039)	(253)
2028	(41,370)	(41,083)	(287)
2029	(4,265)	(3,908)	(357)
2030	(3,180)	(2,780)	(400)
Thereafter	-	220	(220)
	\$ (116,603)	\$ (114,861)	\$ (1,742)

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City’s risk management program encompasses obtaining workers’ compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool (“Pool”) is considered a self-sustaining risk pool that provides coverage for its members. The City’s contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool’s liability is limited to the coverage that the City elects as stated in the Pool’s Declarations of Coverage for that fund year.

Note 10 - Commitments and Contingencies

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

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$13,600,000.

Upper Trinity Regional Water District (UTRWD)

On June 26, 1995, the City entered into a 30-year contract with the Upper Trinity Regional Water District (UTRWD) and other participating political entities to develop a regional water system to provide retail utility service throughout Denton County. The contract is in effect for 30 years or for such a period of time that bonds issued by UTRWD for the system remain outstanding, whichever is greater.

The original agreement included a commitment by the City for 2.0 million gallons per day (MGD) of water demand. On February 4, 1999, the contract was amended to increase the City’s committed demand to 5.5 MGD. A third amendment, executed on September 2, 1999, further increased the City’s water demand commitment to 7.5 MGD in response to continued growth. The City also maintains a separate agreement with UTRWD for wastewater treatment services with a capacity of up to 1.608 MGD.

With a current water demand capacity of 7.5 MGD, the City holds three weighted votes on the UTRWD Board. The City appoints one member to the Board of Directors and one member to the Customer Advisory Committee. Under the terms of the agreements, all participating and contract entities share proportionately in the administrative costs of the District, as well as in the costs associated with planning future programs and services.

Note 11 - Restatement

As of September 30, 2025, the City adopted GASB Statement No. 101, Compensated Absences. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences current portion and compensated absences noncurrent portion were decreased by \$142,987 and \$142,987, respectively, as of October 1, 2024. The effect of this change in accounting principle is described in the table below.

	October 1, 2024, As Previously Reported	Change in Accounting Principle	October 1, 2024, As Restated
Primary Government			
Governmental Activities	\$ 59,020,342	\$ (142,987)	\$ 58,877,355
Business-Type Activities	43,232,146	-	43,232,146
Total Primary Government	\$ 102,252,488	\$ (142,987)	\$ 102,109,501



REQUIRED SUPPLEMENTARY INFORMATION

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City of Columbia, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 13,699,493	\$ 13,699,493	\$ 13,550,864	\$ (148,629)
Sales	2,607,128	2,607,128	2,806,094	198,966
Franchise	1,304,450	1,304,450	1,302,144	(2,306)
Utility fees	90,500	90,500	38,515	(51,985)
Traffic fines and forfeitures	671,300	671,300	629,099	(42,201)
Development fees and permits	1,738,460	1,738,460	1,718,180	(20,280)
Police fees and permits	648,090	648,090	821,435	173,345
Parks and recreation fees	86,580	86,580	82,014	(4,566)
Fire services	4,065,995	4,065,995	4,322,048	256,053
Interest income	519,592	519,592	625,488	105,896
Grants	-	-	14,392	14,392
Miscellaneous income	48,000	48,000	114,727	66,727
Charges for services	124,970	124,970	124,970	-
Total revenues	<u>25,604,558</u>	<u>25,604,558</u>	<u>26,149,970</u>	<u>545,412</u>
Expenditures				
Current				
Public safety	14,323,111	15,122,532	14,996,554	125,978
Community services	3,109,383	2,821,029	2,794,456	26,573
Public works	1,596,711	1,406,912	1,390,436	16,476
Planning and community development	1,830,645	1,660,595	1,622,107	38,488
City administration	4,241,122	4,268,108	3,864,865	403,243
Finance and administrative services	1,497,259	1,442,975	1,379,747	63,228
Debt service				
Principal	-	75,098	391,565	(316,467)
Interest	-	-	69,577	(69,577)
Capital outlay	435,729	361,802	711,205	(349,403)
Total expenditures	<u>27,033,960</u>	<u>27,159,051</u>	<u>27,220,512</u>	<u>(61,461)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,429,402)</u>	<u>(1,554,493)</u>	<u>(1,070,542)</u>	<u>483,951</u>
Other Financing Sources (Uses)				
Lease proceeds	-	-	171,677	171,677
Issuance of SBITAs	-	-	125,319	125,319
Transfers out	(1,211,256)	(1,311,256)	(1,311,256)	-
Transfers in	1,653,204	1,653,204	2,294,906	641,702
Total Financing Sources (Uses)	<u>441,948</u>	<u>341,948</u>	<u>1,280,646</u>	<u>938,698</u>
Net Change in Fund Balance	<u>(987,454)</u>	<u>(1,212,545)</u>	<u>210,104</u>	<u>1,422,649</u>
Fund Balance -				
October 1 (Beginning)	<u>10,575,307</u>	<u>10,575,307</u>	<u>10,575,307</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 9,587,853</u>	<u>\$ 9,362,762</u>	<u>\$ 10,785,411</u>	<u>\$ 1,422,649</u>

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Total Pension Liability				
Service cost	\$ 2,813,436	\$ 2,481,835	\$ 2,310,175	\$ 2,195,301
Interest on total pension liability	4,350,348	3,987,887	3,645,292	3,351,329
Differences between expected and actual experience	1,372,674	712,723	627,730	257,440
Change of assumptions	-	(112,092)	-	-
Benefit payments/refunds of contributions	(2,072,275)	(1,660,454)	(1,526,622)	(1,486,392)
Net change in total pension liability	<u>6,464,183</u>	<u>5,409,899</u>	<u>5,056,575</u>	<u>4,317,678</u>
Total pension liability, beginning	<u>64,079,020</u>	<u>58,669,121</u>	<u>53,612,546</u>	<u>49,294,868</u>
Total pension liability, ending (a)	<u>\$ 70,543,203</u>	<u>\$ 64,079,020</u>	<u>\$ 58,669,121</u>	<u>\$ 53,612,546</u>
Fiduciary Net Position				
Contributions - Employer	\$ 2,424,952	\$ 2,164,911	\$ 1,884,823	\$ 1,882,874
Contributions - Employee	1,079,126	964,632	879,868	831,553
Net investment income	5,834,091	5,674,428	(3,760,221)	5,799,034
Benefit payments/refunds of contributions	(2,072,275)	(1,660,454)	(1,526,622)	(1,486,392)
Administrative expenses	(37,322)	(36,006)	(32,478)	(26,791)
Other	(874)	(250)	38,755	184
Net change in fiduciary net position	<u>7,227,698</u>	<u>7,107,261</u>	<u>(2,515,875)</u>	<u>7,000,462</u>
Fiduciary net position, beginning	<u>56,007,813</u>	<u>48,900,552</u>	<u>51,416,427</u>	<u>44,415,965</u>
Fiduciary net position, ending (b)	<u>\$ 63,235,511</u>	<u>\$ 56,007,813</u>	<u>\$ 48,900,552</u>	<u>\$ 51,416,427</u>
Net pension liability (asset), ending = (a) - (b)	<u>\$ 7,307,692</u>	<u>\$ 8,071,207</u>	<u>\$ 9,768,569</u>	<u>\$ 2,196,119</u>
Fiduciary net position as a percentage of total pension liability	89.64%	87.40%	83.35%	95.90%
Covered payroll	\$ 15,416,090	\$ 13,780,316	\$ 12,494,184	\$ 11,879,334
Net pension liability as a percentage of covered payroll	47.40%	58.57%	78.18%	18.49%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31.

City of ~~Conroe~~, Texas
 Schedule of Changes in Net Pension Liability and Related Ratios –
 Texas Municipal Retirement System (Exhibit B-2)
 Year Ended September 30, 2025

Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
\$ 2,139,635	\$ 1,974,459	\$ 1,740,727	\$ 1,674,666	\$ 1,636,649	\$ 1,614,486
3,106,077	2,830,658	2,631,469	2,468,757	2,244,189	2,163,512
(308,779)	51,976	(461,003)	(628,235)	409,560	(356,486)
-	202,141	-	-	-	(252,429)
(1,176,404)	(946,673)	(1,207,565)	(1,067,764)	(897,171)	(783,303)
<u>3,760,529</u>	<u>4,112,561</u>	<u>2,703,628</u>	<u>2,447,424</u>	<u>3,393,227</u>	<u>2,385,780</u>
<u>45,534,339</u>	<u>41,421,778</u>	<u>38,718,150</u>	<u>36,270,726</u>	<u>32,877,499</u>	<u>30,491,719</u>
<u>\$ 49,294,868</u>	<u>\$ 45,534,339</u>	<u>\$ 41,421,778</u>	<u>\$ 38,718,150</u>	<u>\$ 36,270,726</u>	<u>\$ 32,877,499</u>
\$ 1,838,580	\$ 1,708,397	\$ 1,521,211	\$ 1,412,999	\$ 1,372,064	\$ 1,415,503
812,683	754,021	673,954	642,690	650,021	648,976
3,035,308	5,153,390	(999,066)	3,942,063	1,730,262	35,841
(1,176,404)	(946,673)	(1,207,565)	(1,067,764)	(897,171)	(783,303)
(19,611)	(29,078)	(19,289)	(20,406)	(19,521)	(21,823)
(765)	(874)	(1,008)	(1,034)	(1,052)	(1,078)
<u>4,489,791</u>	<u>6,639,183</u>	<u>(31,763)</u>	<u>4,908,548</u>	<u>2,834,603</u>	<u>1,294,116</u>
<u>39,926,174</u>	<u>33,286,991</u>	<u>33,318,754</u>	<u>28,410,206</u>	<u>25,575,603</u>	<u>24,281,487</u>
<u>\$ 44,415,965</u>	<u>\$ 39,926,174</u>	<u>\$ 33,286,991</u>	<u>\$ 33,318,754</u>	<u>\$ 28,410,206</u>	<u>\$ 25,575,603</u>
<u>\$ 4,878,903</u>	<u>\$ 5,608,165</u>	<u>\$ 8,134,787</u>	<u>\$ 5,399,396</u>	<u>\$ 7,860,520</u>	<u>\$ 7,301,896</u>
90.10%	87.68%	80.36%	86.05%	78.33%	77.79%
\$ 11,553,105	\$ 10,771,734	\$ 9,627,913	\$ 9,181,285	\$ 8,967,939	\$ 9,252,068
42.23%	52.06%	84.49%	58.81%	87.65%	78.92%

Schedule of Employer Contributions – Texas Municipal Retirement System (Exhibit B-3)
Year Ended September 30, 2025

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2016	\$ 1,380,260	\$ 1,380,260	\$ -	\$ 9,118,563	15.14%
2017	1,400,433	1,400,433	-	8,994,707	15.57%
2018	1,489,711	1,489,711	-	9,428,968	15.80%
2019	1,661,825	1,661,825	-	10,402,206	15.98%
2020	1,842,075	1,842,075	-	11,512,971	16.00%
2021	1,858,514	1,858,514	-	11,721,580	15.86%
2022	1,950,232	1,950,232	-	12,789,899	15.25%
2023	2,102,987	2,102,987	-	13,432,635	15.66%
2024	2,347,915	2,347,915	-	14,930,715	15.73%
2025	2,602,168	2,602,168	-	16,510,707	15.76%

Note: The information from this schedule corresponds with the City's fiscal years ended September 30.

Schedule of Changes in Total OPEB Liability and Related Ratios –
Supplemental Death Benefits Plan (Exhibit B-4)
Year Ended September 30, 2025

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Total OPEB Liability								
Service cost	\$ 29,291	\$ 24,805	\$ 44,979	\$ 41,578	\$ 33,504	\$ 22,621	\$ 22,144	\$ 18,363
Interest on total OPEB liability	16,236	15,553	10,757	10,559	11,886	13,334	10,940	10,314
Differences between expected and actual experience	(3,186)	(7,255)	(13,120)	(9,779)	(25,772)	(43,060)	25,487	-
Change of assumptions	(25,649)	22,180	(223,873)	19,951	76,774	76,718	(27,870)	28,959
Benefit payments	(10,791)	(11,024)	(7,497)	(7,128)	(2,311)	(2,154)	(1,926)	(1,836)
Net change in total OPEB liability	5,901	44,259	(188,754)	55,181	94,081	67,459	28,775	55,800
Total OPEB liability, beginning	421,400	377,141	565,895	510,714	416,633	349,174	320,399	264,599
Total OPEB liability, ending	<u>\$ 427,301</u>	<u>\$ 421,400</u>	<u>\$ 377,141</u>	<u>\$ 565,895</u>	<u>\$ 510,714</u>	<u>\$ 416,633</u>	<u>\$ 349,174</u>	<u>\$ 320,399</u>
Covered-employee payroll	\$ 15,416,090	\$ 13,780,316	\$ 12,494,184	\$ 11,879,334	\$ 11,553,105	\$ 10,771,734	\$ 9,627,913	\$ 9,181,285
Total OPEB liability as a percentage of covered payroll	2.77%	3.06%	3.02%	4.76%	4.42%	3.87%	3.63%	3.49%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2017. Ten years will ultimately be displayed.

No assets are accumulated in a trust as defined by GASB 75. Benefits are on a pay-as-you-go basis.

Note A: Net Pension Liability – Texas Municipal Retirement System**Assumptions**

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with Scale UMP.
Notes:	There were no benefit changes during the year.

Note B: Total OPEB Liability – Texas Municipal Retirement System

Summary of actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate*	4.08%
Salary increases	3.60% to 11.85%, including inflation
Retirees' share- benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rate- service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.
Mortality rate- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

* The discount rate was based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December 31, 2024.

Note C: Budgetary Process

The official budget was prepared for adoption for the General Fund. The following procedures are followed in establishing the budgetary data reflected in the required supplementary information:

- Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
- Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
- Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
- As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
- All budget amendments received appropriate approval.
- All budget appropriations lapse at year end.

City of Columbia, Texas
 Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-1)
 September 30, 2025

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 6,440,400	\$ 2,325,966	\$ 8,766,366
Investments	422,059	6,578,793	7,000,852
Receivables (net of allowance)			
Sales taxes	223,159	-	223,159
Accounts	3,500	31,411	34,911
Interest	26,342	21,297	47,639
Miscellaneous	287,572	991,924	1,279,496
Prepaid items	13,500	-	13,500
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 7,416,532</u>	<u>\$ 9,949,391</u>	<u>\$ 17,365,923</u>
Liabilities			
Accounts payable	\$ 14,968	\$ 275,106	\$ 290,074
Accrued liabilities	67,987	-	67,987
Other liabilities	698,331	45,511	743,842
Unearned revenue	53,002	-	53,002
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>834,288</u>	<u>320,617</u>	<u>1,154,905</u>
Deferred Inflows of Resources			
Unavailable revenue	219,616	938,192	1,157,808
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>219,616</u>	<u>938,192</u>	<u>1,157,808</u>
Fund Balances			
Nonspendable	13,500	-	13,500
Restricted	6,061,426	5,800,278	11,861,704
Committed	287,702	2,890,304	3,178,006
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>6,362,628</u>	<u>8,690,582</u>	<u>15,053,210</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,416,532</u>	<u>\$ 9,949,391</u>	<u>\$ 17,365,923</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds (Exhibit C-2)
Year Ended September 30, 2025

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes			
Property	\$ 143,674	\$ -	\$ 143,674
Sales	1,272,060	-	1,272,060
Hotel occupancy tax	129,461	-	129,461
Vehicle	158,590	-	158,590
Escrow and impact fees	1,129,256	-	1,129,256
Traffic fines and forfeitures	67,377	-	67,377
Police fees and permits	56,574	-	56,574
Fire services	-	78,361	78,361
Parks and recreation fees	515,195	-	515,195
Donations	99,196	62,074	161,270
Interest income	317,140	477,037	794,177
Grants	163,027	-	163,027
Miscellaneous income	738,183	308,706	1,046,889
Total revenues	<u>4,789,733</u>	<u>926,178</u>	<u>5,715,911</u>
Expenditures			
Current			
Public safety	977,752	12,141	989,893
Community services	143,736	-	143,736
Public works	494,898	8,100	502,998
City administration	150,381	125,550	275,931
Debt service			
Principal	186,402	342,094	528,496
Interest	7,160	48,116	55,276
Capital outlay	1,178,700	3,736,663	4,915,363
Total expenditures	<u>3,139,029</u>	<u>4,272,664</u>	<u>7,411,693</u>
Excess (Deficiency) of Revenues over (under) Expenditures	1,650,704	(3,346,486)	(1,695,782)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	58,598	58,598
Issuance of leases	286,184	395,802	681,986
Issuance of SBITAs	19,075	-	19,075
Transfers out	(906,584)	(610,131)	(1,516,715)
Transfers in	85,000	1,674,980	1,759,980
Total Other Financing Sources (Uses)	<u>(516,325)</u>	<u>1,519,249</u>	<u>1,002,924</u>
Net Change in Fund Balance	1,134,379	(1,827,237)	(692,858)
Fund Balance - October 1 (Beginning)	<u>5,228,249</u>	<u>10,517,819</u>	<u>15,746,068</u>
Fund Balance - September 30 (Ending)	<u>\$ 6,362,628</u>	<u>\$ 8,690,582</u>	<u>\$ 15,053,210</u>

	Crime Control & Prevention	Hotel Motel Tax	Keep Corinth Beautiful
Assets			
Cash and cash equivalents	\$ 158,175	\$ 165,488	\$ 34,148
Investments	422,059	-	-
Receivables (net of allowance)			
Sales taxes	113,750	-	-
Accounts	-	-	-
Interest	1,058	583	132
Miscellaneous	-	30,856	-
Prepaid items	-	13,500	-
	<u>695,042</u>	<u>210,427</u>	<u>34,280</u>
Total assets	<u>\$ 695,042</u>	<u>\$ 210,427</u>	<u>\$ 34,280</u>
Liabilities			
Accounts payable	\$ 10,814	\$ -	\$ -
Accrued liabilities	-	67,065	-
Other liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>10,814</u>	<u>67,065</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	13,500	-
Restricted	684,228	129,862	34,280
Committed	-	-	-
Total fund balances	<u>684,228</u>	<u>143,362</u>	<u>34,280</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 695,042</u>	<u>\$ 210,427</u>	<u>\$ 34,280</u>

City of Carroll, Texas
 Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
 September 30, 2025

County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology
\$ 34,115	\$ 340,264	\$ 116,851	\$ 54,515
-	-	-	-
-	-	-	-
-	3,500	-	-
132	2,436	456	214
26,190	219,616	-	-
-	-	-	-
<u>\$ 60,437</u>	<u>\$ 565,816</u>	<u>\$ 117,307</u>	<u>\$ 54,729</u>
\$ -	\$ -	\$ -	\$ -
922	-	-	-
-	-	-	-
-	53,002	-	-
<u>922</u>	<u>53,002</u>	<u>-</u>	<u>-</u>
-	219,616	-	-
<u>-</u>	<u>219,616</u>	<u>-</u>	<u>-</u>
-	-	-	-
59,515	5,496	117,307	54,729
-	287,702	-	-
<u>59,515</u>	<u>293,198</u>	<u>117,307</u>	<u>54,729</u>
<u>\$ 60,437</u>	<u>\$ 565,816</u>	<u>\$ 117,307</u>	<u>\$ 54,729</u>

	Police Confiscation- State	Parks Development	Community Park Improvement
Assets			
Cash and cash equivalents	\$ 25,265	\$ 401,285	\$ 60,784
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Accounts	-	-	-
Interest	98	1,488	236
Miscellaneous	-	-	-
Prepaid items	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 25,363</u>	<u>\$ 402,773</u>	<u>\$ 61,020</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Other liabilities	7,172	-	-
Unearned revenue	-	-	-
Total liabilities	<u>7,172</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	18,191	402,773	61,020
Committed	-	-	-
Total fund balances	<u>18,191</u>	<u>402,773</u>	<u>61,020</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,363</u>	<u>\$ 402,773</u>	<u>\$ 61,020</u>

City of Carroll, Texas
 Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
 September 30, 2025

Tree Mitigation	Roadway Impact Fee	Fire District	Broadband Utility
\$ 730,145	\$ 3,436,887	\$ 146,629	\$ -
-	-	-	-
-	-	109,409	-
-	-	-	-
2,830	13,319	570	-
-	-	-	-
-	-	-	-
<u>\$ 732,975</u>	<u>\$ 3,450,206</u>	<u>\$ 256,608</u>	<u>\$ -</u>
\$ -	\$ -	\$ 482	\$ -
-	-	-	-
-	691,159	-	-
-	-	-	-
<u>-</u>	<u>691,159</u>	<u>482</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
732,975	2,759,047	256,126	-
-	-	-	-
<u>732,975</u>	<u>2,759,047</u>	<u>256,126</u>	<u>-</u>
<u>\$ 732,975</u>	<u>\$ 3,450,206</u>	<u>\$ 256,608</u>	<u>\$ -</u>

	Reinvestment Zone #2	Short-term Rental Vehicle Tax	Reinvestment Zone #3
Assets			
Cash and cash equivalents	\$ 262,558	\$ 305,228	\$ 153,130
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Accounts	-	-	-
Interest	1,017	1,127	593
Miscellaneous	-	10,910	-
Prepaid items	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 263,575</u>	<u>\$ 317,265</u>	<u>\$ 153,723</u>
Liabilities			
Accounts payable	\$ -	\$ 3,672	\$ -
Accrued liabilities	-	-	-
Other liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u> </u>	<u>3,672</u>	<u> </u>
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	<u> </u>	<u> </u>	<u> </u>
Fund Balances			
Nonspendable	-	-	-
Restricted	263,575	313,593	153,723
Committed	-	-	-
Total fund balances	<u>263,575</u>	<u>313,593</u>	<u>153,723</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 263,575</u>	<u>\$ 317,265</u>	<u>\$ 153,723</u>

Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)

COVID CARES Act Fund	Municipal Court Security and Tech	Total Nonmajor Special Revenue Funds
\$ -	\$ 14,933	\$ 6,440,400
-	-	422,059
-	-	223,159
-	-	3,500
-	53	26,342
-	-	287,572
-	-	13,500
<u>\$ -</u>	<u>\$ 14,986</u>	<u>\$ 7,416,532</u>
\$ -	\$ -	\$ 14,968
-	-	67,987
-	-	698,331
-	-	53,002
<u>-</u>	<u>-</u>	<u>834,288</u>
-	-	219,616
<u>-</u>	<u>-</u>	<u>219,616</u>
-	-	13,500
-	14,986	6,061,426
-	-	287,702
<u>-</u>	<u>14,986</u>	<u>6,362,628</u>
<u>\$ -</u>	<u>\$ 14,986</u>	<u>\$ 7,416,532</u>

	Crime Control & Prevention	Hotel Motel Tax	Keep Corinth Beautiful
Revenues			
Taxes			
Property	\$ -	\$ -	\$ -
Sales	649,973	-	-
Hotel occupancy tax	-	129,461	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	-
Donations	-	-	6,720
Interest income	27,126	6,624	1,528
Grants	-	-	747
Miscellaneous income	19,269	-	-
Total revenues	<u>696,368</u>	<u>136,085</u>	<u>8,995</u>
Expenditures			
Current			
Public safety	392,731	-	-
Community services	-	-	-
Public works	-	-	-
City administration	-	51,738	4,660
Capital outlay	469,785	59,934	-
Debt service			
Principal	122,573	-	-
Interest	768	-	-
Total expenditures	<u>985,857</u>	<u>111,672</u>	<u>4,660</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(289,489)	24,413	4,335
Other Financing Sources (Uses)			
Issuance of leases	286,184	-	-
Issuance of SBITAs	19,075	-	-
Transfers out	(50,000)	-	-
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>255,259</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(34,230)	24,413	4,335
Fund Balance - October 1 (Beginning)	<u>718,458</u>	<u>118,949</u>	<u>29,945</u>
Fund Balance - September 30 (Ending)	<u>\$ 684,228</u>	<u>\$ 143,362</u>	<u>\$ 34,280</u>

City of Carroll, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2025

County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology	Police Confiscation- State
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
56,574	27,810	13,530	11,178	-
-	-	-	-	-
-	24,826	-	-	-
1,722	25,346	4,864	2,282	776
-	4,890	-	-	-
-	718,914	-	-	-
<u>58,296</u>	<u>801,786</u>	<u>18,394</u>	<u>13,460</u>	<u>776</u>
26,190	87,787	-	-	-
-	32,834	381	14,084	-
-	12,182	-	-	-
-	-	-	-	-
-	-	6,843	-	-
-	-	-	2,028	-
-	-	-	-	-
<u>26,190</u>	<u>132,803</u>	<u>7,224</u>	<u>16,112</u>	<u>-</u>
32,106	668,983	11,170	(2,652)	776
-	-	-	-	-
-	-	-	-	-
-	(691,795)	(25,000)	-	-
-	-	-	-	-
<u>-</u>	<u>(691,795)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
32,106	(22,812)	(13,830)	(2,652)	776
<u>27,409</u>	<u>316,010</u>	<u>131,137</u>	<u>57,381</u>	<u>17,415</u>
<u>\$ 59,515</u>	<u>\$ 293,198</u>	<u>\$ 117,307</u>	<u>\$ 54,729</u>	<u>\$ 18,191</u>

	<u>Parks Development</u>	<u>Community Park Improvement</u>	<u>Tree Mitigation</u>
Revenues			
Taxes			
Property	\$ -	\$ -	\$ -
Sales	-	-	-
Hotel occupancy tax	-	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	13,970	501,225
Donations	67,650	-	-
Interest income	19,003	2,450	37,391
Grants	-	-	-
Miscellaneous income	-	-	-
Total revenues	<u>86,653</u>	<u>16,420</u>	<u>538,616</u>
Expenditures			
Current			
Public safety	-	-	-
Community services	-	-	96,437
Public works	-	-	-
City administration	-	-	-
Capital outlay	132,230	-	172,227
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>132,230</u>	<u>-</u>	<u>268,664</u>
Excess (Deficiency) of Revenues over Expenditures	(45,577)	16,420	269,952
Other Financing Sources (Uses)			
Issuance of leases	-	-	-
Issuance of SBITAs	-	-	-
Transfers out	-	-	-
Transfers in	85,000	-	-
Total Other Financing Sources (Uses)	<u>85,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	39,423	16,420	269,952
Fund Balance - October 1 (Beginning)	<u>363,350</u>	<u>44,600</u>	<u>463,023</u>
Fund Balance - September 30 (Ending)	<u>\$ 402,773</u>	<u>\$ 61,020</u>	<u>\$ 732,975</u>

City of Carroll, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds (Exhibit C-4)
 Year Ended September 30, 2025

Roadway Impact Fee	Fire District	Broadband Utility	Reinvestment Zone #2	Short-term Rental Vehicle Tax
\$ -	\$ -	\$ -	\$ 86,611	\$ -
-	622,087	-	-	-
-	-	-	-	-
1,129,256	-	-	-	158,590
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
146,685	7,846	-	9,641	11,550
-	-	-	-	-
-	-	-	-	-
<u>1,275,941</u>	<u>629,933</u>	<u>-</u>	<u>96,252</u>	<u>170,140</u>
-	471,044	-	-	-
-	-	-	-	-
482,716	-	-	-	-
-	-	-	-	93,983
-	7,419	-	-	-
-	61,801	-	-	-
-	6,392	-	-	-
<u>482,716</u>	<u>546,656</u>	<u>-</u>	<u>-</u>	<u>93,983</u>
793,225	83,277	-	96,252	76,157
-	-	-	-	-
-	-	-	-	-
-	-	(139,789)	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(139,789)</u>	<u>-</u>	<u>-</u>
793,225	83,277	(139,789)	96,252	76,157
<u>1,965,822</u>	<u>172,849</u>	<u>139,789</u>	<u>167,323</u>	<u>237,436</u>
<u>\$ 2,759,047</u>	<u>\$ 256,126</u>	<u>\$ -</u>	<u>\$ 263,575</u>	<u>\$ 313,593</u>

City of Columbia, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2025

	Reinvestment Zone #3	COVID CARES Act Fund	Municipal Court Security and Tech	Total Nonmajor Special Revenue Funds
Revenues				
Taxes				
Property	\$ 57,063	\$ -	\$ -	\$ 143,674
Sales	-	-	-	1,272,060
Hotel occupancy tax	-	-	-	129,461
Vehicle	-	-	-	158,590
Escrow and impact fees	-	-	-	1,129,256
Traffic fines & forfeitures	-	-	14,859	67,377
Police fees & permits	-	-	-	56,574
Parks & recreation fees	-	-	-	515,195
Donations	-	-	-	99,196
Interest income	5,510	6,669	127	317,140
Grants	-	157,390	-	163,027
Miscellaneous income	-	-	-	738,183
Total revenues	<u>62,573</u>	<u>164,059</u>	<u>14,986</u>	<u>4,789,733</u>
Expenditures				
Current				
Public safety	-	-	-	977,752
Community services	-	-	-	143,736
Public works	-	-	-	494,898
City administration	-	-	-	150,381
Capital outlay	-	330,262	-	1,178,700
Debt service				
Principal	-	-	-	186,402
Interest	-	-	-	7,160
Total expenditures	<u>-</u>	<u>330,262</u>	<u>-</u>	<u>3,139,029</u>
Excess (Deficiency) of Revenues over Expenditures	62,573	(166,203)	14,986	1,650,704
Other Financing Sources (Uses)				
Issuance of leases	-	-	-	286,184
Issuance of SBITAs	-	-	-	19,075
Transfers out	-	-	-	(906,584)
Transfers in	-	-	-	85,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(516,325)</u>
Net Change in Fund Balance	62,573	(166,203)	14,986	1,134,379
Fund Balance - October 1 (Beginning)	<u>91,150</u>	<u>166,203</u>	<u>-</u>	<u>5,228,249</u>
Fund Balance - September 30 (Ending)	<u>\$ 153,723</u>	<u>\$ -</u>	<u>\$ 14,986</u>	<u>\$ 6,362,628</u>

City of Carroll, Texas
 Crime Control and Prevention Fund Budgetary Comparison Schedule (Exhibit C-5)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 598,255	\$ 598,255	\$ 649,973	\$ 51,718
Interest income	39,500	39,500	27,126	(12,374)
Miscellaneous income	-	-	19,269	19,269
Total revenues	<u>637,755</u>	<u>637,755</u>	<u>696,368</u>	<u>58,613</u>
Expenditures				
Current				
Public safety	554,035	428,960	392,731	36,229
Capital outlay	148,906	165,760	469,785	(304,025)
Debt service				
Principal	-	108,221	122,573	(14,352)
Interest	-	-	768	(768)
Total expenditures	<u>702,941</u>	<u>702,941</u>	<u>985,857</u>	<u>(282,916)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(65,186)	(65,186)	(289,489)	(224,303)
Other Financing Sources (Uses)				
Issuance of leases	-	-	286,184	286,184
Issuance of SBITAs	-	-	19,075	19,075
Transfers out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>255,259</u>	<u>305,259</u>
Net Change in Fund Balance	(115,186)	(115,186)	(34,230)	80,956
Fund Balance -				
October 1 (Beginning)	<u>718,458</u>	<u>718,458</u>	<u>718,458</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 603,272</u>	<u>\$ 603,272</u>	<u>\$ 684,228</u>	<u>\$ 80,956</u>

Hotel Motel Tax Fund Budgetary Comparison Schedule (Exhibit C-6)
Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Hotel occupancy tax	\$ 120,000	\$ 120,000	\$ 129,461	\$ 9,461
Interest income	15,000	15,000	6,624	(8,376)
Total revenues	<u>135,000</u>	<u>135,000</u>	<u>136,085</u>	<u>1,085</u>
Expenditures				
Current				
City administration	62,000	62,000	51,738	10,262
Capital outlay	75,000	75,000	59,934	15,066
Total expenditures	<u>137,000</u>	<u>137,000</u>	<u>111,672</u>	<u>25,328</u>
Net Change in Fund Balance	(2,000)	(2,000)	24,413	26,413
Fund Balance -				
October 1 (Beginning)	<u>118,949</u>	<u>118,949</u>	<u>118,949</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 116,949</u>	<u>\$ 116,949</u>	<u>\$ 143,362</u>	<u>\$ 26,413</u>

City of Corinth, Texas
 Keep Corinth Beautiful Fund Budgetary Comparison Schedule (Exhibit C-7)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	\$ 5,000	\$ 5,000	\$ 6,720	\$ 1,720
Interest income	1,600	1,600	1,528	(72)
Grants	-	-	747	747
Total revenues	<u>6,600</u>	<u>6,600</u>	<u>8,995</u>	<u>2,395</u>
Expenditures				
Current				
City administration	<u>9,955</u>	<u>9,955</u>	<u>4,660</u>	<u>5,295</u>
Total expenditures	<u>9,955</u>	<u>9,955</u>	<u>4,660</u>	<u>5,295</u>
Net Change in Fund Balance	(3,355)	(3,355)	4,335	7,690
Fund Balance -				
October 1 (Beginning)	<u>29,945</u>	<u>29,945</u>	<u>29,945</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 26,590</u>	<u>\$ 26,590</u>	<u>\$ 34,280</u>	<u>\$ 7,690</u>

City of ~~Comal~~, Texas
 County Child Safety Fund Comparison Schedule (Exhibit C-8)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Police fees and permits	\$ 33,000	\$ 33,000	\$ 56,574	\$ 23,574
Interest income	2,000	2,000	1,722	(278)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>58,296</u>	<u>23,296</u>
Expenditures				
Current				
Public safety	31,126	31,126	26,190	4,936
Total expenditures	<u>31,126</u>	<u>31,126</u>	<u>26,190</u>	<u>4,936</u>
Net Change in Fund Balance	3,874	3,874	32,106	28,232
Fund Balance -				
October 1 (Beginning)	<u>27,409</u>	<u>27,409</u>	<u>27,409</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 31,283</u>	<u>\$ 31,283</u>	<u>\$ 59,515</u>	<u>\$ 28,232</u>

City of ~~San Antonio, Texas~~
Municipal Court Security Fund Budgetary Comparison Schedule (Exhibit C-9)
Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	\$ 19,500	\$ 19,500	\$ 13,530	\$ (5,970)
Interest income	5,750	5,750	4,864	(886)
Total revenues	<u>25,250</u>	<u>25,250</u>	<u>18,394</u>	<u>(6,856)</u>
Expenditures				
Current				
Community services	10,000	3,156	381	2,775
Capital outlay	-	6,844	6,843	1
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,224</u>	<u>2,776</u>
Excess (Deficiency) of Revenues over Expenditures	15,250	15,250	11,170	(4,080)
Other Financing Sources (Uses)				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balance	(9,750)	(9,750)	(13,830)	(4,080)
Fund Balance -				
October 1 (Beginning)	<u>131,137</u>	<u>131,137</u>	<u>131,137</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 121,387</u>	<u>\$ 121,387</u>	<u>\$ 117,307</u>	<u>\$ (4,080)</u>

City of Carroll, Texas
Municipal Court Technology Fund Comparison Schedule (Exhibit C-10)
Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	\$ 15,500	\$ 15,500	\$ 11,178	\$ (4,322)
Interest income	2,500	2,500	2,282	(218)
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>13,460</u>	<u>(4,540)</u>
Expenditures				
Current				
Community services	20,879	18,050	14,084	3,966
Debt service				
Principal	-	2,829	2,028	801
Total expenditures	<u>20,879</u>	<u>20,879</u>	<u>16,112</u>	<u>4,767</u>
Net Change in Fund Balance	(2,879)	(2,879)	(2,652)	227
Fund Balance -				
October 1 (Beginning)	<u>57,381</u>	<u>57,381</u>	<u>57,381</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 54,502</u>	<u>\$ 54,502</u>	<u>\$ 54,729</u>	<u>\$ 227</u>

Police Confiscation Fund – State – Budgetary Comparison Schedule (Exhibit C-11)
Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	\$ 700	\$ 700	\$ 776	\$ 76
Miscellaneous income	10,300	10,300	-	(10,300)
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>776</u>	<u>(10,224)</u>
Expenditures				
Current				
Public safety	11,000	11,000	-	11,000
Total expenditures	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Net Change in Fund Balance	-	-	776	776
Fund Balance -				
October 1 (Beginning)	<u>17,415</u>	<u>17,415</u>	<u>17,415</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 17,415</u>	<u>\$ 17,415</u>	<u>\$ 18,191</u>	<u>\$ 776</u>

City of Carroll, Texas
 Parks Development Fund Budgetary Comparison Schedule (Exhibit C-12)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	\$ -	\$ -	\$ 67,650	\$ 67,650
Interest income	15,100	15,100	19,003	3,903
Total revenues	<u>15,100</u>	<u>15,100</u>	<u>86,653</u>	<u>71,553</u>
Expenditures				
Current				
Capital outlay	153,000	153,000	132,230	20,770
Total expenditures	<u>153,000</u>	<u>153,000</u>	<u>132,230</u>	<u>20,770</u>
Excess (Deficiency) of Revenues over Expenditures	(137,900)	(137,900)	(45,577)	92,323
Other Financing Sources (Uses)				
Transfers in	85,000	85,000	85,000	-
Total Other Financing Sources (Uses)	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Net Change in Fund Balance	(52,900)	(52,900)	39,423	92,323
Fund Balance -				
October 1 (Beginning)	<u>363,350</u>	<u>363,350</u>	<u>363,350</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 310,450</u>	<u>\$ 310,450</u>	<u>\$ 402,773</u>	<u>\$ 92,323</u>

City of ~~Corpus Christi, Texas~~
 Community Park Improvement Fund Budgetary Comparison Schedule (Exhibit C-13)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Parks and recreation fees	\$ 10,500	\$ 10,500	\$ 13,970	\$ 3,470
Interest income	2,200	2,200	2,450	250
Total revenues	<u>12,700</u>	<u>12,700</u>	<u>16,420</u>	<u>3,720</u>
Expenditures				
Current				
Community services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	12,700	12,700	16,420	3,720
Fund Balance -				
October 1 (Beginning)	<u>44,600</u>	<u>44,600</u>	<u>44,600</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 57,300</u>	<u>\$ 57,300</u>	<u>\$ 61,020</u>	<u>\$ 3,720</u>

City of ~~Corpus Christi, Texas~~
 Tree Mitigation Fund Budgetary Comparison Schedule (Exhibit C-14)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Parks & recreation fees	\$ -	\$ -	\$ 501,225	\$ 501,225
Interest income	25,000	25,000	37,391	12,391
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>538,616</u>	<u>513,616</u>
Expenditures				
Current				
Community services	315,000	189,097	96,437	92,660
Capital Outlay	-	175,903	172,227	3,676
Total expenditures	<u>315,000</u>	<u>365,000</u>	<u>268,664</u>	<u>96,336</u>
Net Change in Fund Balance	(290,000)	(340,000)	269,952	609,952
Fund Balance -				
October 1 (Beginning)	<u>463,023</u>	<u>463,023</u>	<u>463,023</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 173,023</u>	<u>\$ 123,023</u>	<u>\$ 732,975</u>	<u>\$ 609,952</u>

City of Carroll, Texas
 Roadway Impact Fee Fund Budgetary Comparison Schedule (Exhibit C-15)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Escrow and impact fees	\$ -	\$ -	\$ 1,129,256	\$ 1,129,256
Interest income	70,885	70,885	146,685	75,800
Total revenues	<u>70,885</u>	<u>70,885</u>	<u>1,275,941</u>	<u>1,205,056</u>
Expenditures				
Public works	-	482,716	482,716	-
Total expenditures	<u>-</u>	<u>482,716</u>	<u>482,716</u>	<u>-</u>
Net Change in Fund Balance	70,885	(411,831)	793,225	1,205,056
Fund Balance -				
October 1 (Beginning)	<u>1,965,822</u>	<u>1,965,822</u>	<u>1,965,822</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 2,036,707</u>	<u>\$ 1,553,991</u>	<u>\$ 2,759,047</u>	<u>\$ 1,205,056</u>

City of Carroll, Texas
 Fire District Fund Budgetary Comparison Schedule (Exhibit C-16)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	\$ 574,304	\$ 574,304	\$ 622,087	\$ 47,783
Interest income	17,000	17,000	7,846	(9,154)
Total revenues	<u>591,304</u>	<u>591,304</u>	<u>629,933</u>	<u>38,629</u>
Expenditures				
Current				
Public safety	519,726	512,813	471,044	41,769
Capital outlay	-	6,913	7,419	(506)
Principal	63,083	63,083	61,801	1,282
Interest	6,392	6,392	6,392	-
Total expenditures	<u>589,201</u>	<u>589,201</u>	<u>546,656</u>	<u>42,545</u>
Net Change in Fund Balance	2,103	2,103	83,277	81,174
Fund Balance -				
October 1 (Beginning)	<u>172,849</u>	<u>172,849</u>	<u>172,849</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 174,952</u>	<u>\$ 174,952</u>	<u>\$ 256,126</u>	<u>\$ 81,174</u>

City of Carroll, Texas
 Broadband Utility Fund Budgetary Comparison Schedule (Exhibit C-17)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Franchise	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
City administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers out	<u>(162,834)</u>	<u>(162,834)</u>	<u>(139,789)</u>	<u>23,045</u>
Total Other Financing Sources (Uses)	<u>(162,834)</u>	<u>(162,834)</u>	<u>(139,789)</u>	<u>23,045</u>
Net Change in Fund Balance	<u>(162,834)</u>	<u>(162,834)</u>	<u>(139,789)</u>	<u>23,045</u>
Fund Balance -				
October 1 (Beginning)	<u>139,789</u>	<u>139,789</u>	<u>139,789</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ (23,045)</u>	<u>\$ (23,045)</u>	<u>\$ -</u>	<u>\$ 23,045</u>

City of Carroll, Texas
 Reinvestment Zone #2 Fund Budgetary Comparison Schedule (Exhibit C-18)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 86,611	\$ 86,611	\$ 86,611	\$ -
Interest income	10,000	10,000	9,641	(359)
Total revenues	<u>96,611</u>	<u>96,611</u>	<u>96,252</u>	<u>(359)</u>
Expenditures				
Current				
City administration	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	96,611	96,611	96,252	(359)
Fund Balance -				
October 1 (Beginning)	<u>167,323</u>	<u>167,323</u>	<u>167,323</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 263,934</u>	<u>\$ 263,934</u>	<u>\$ 263,575</u>	<u>\$ (359)</u>

Short-term Rental Vehicle Tax Fund Budgetary Comparison Schedule (Exhibit C-19)
Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Vehicle	\$ 154,000	\$ 154,000	\$ 158,590	\$ 4,590
Interest income	12,500	12,500	11,550	(950)
Total revenues	<u>166,500</u>	<u>166,500</u>	<u>170,140</u>	<u>3,640</u>
Expenditures				
Current				
City administration	167,370	151,370	93,983	57,387
Capital outlay	-	16,000	-	16,000
Total expenditures	<u>167,370</u>	<u>167,370</u>	<u>93,983</u>	<u>73,387</u>
Net Change in Fund Balance	(870)	(870)	76,157	77,027
Fund Balance -				
October 1 (Beginning)	<u>237,436</u>	<u>237,436</u>	<u>237,436</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 236,566</u>	<u>\$ 236,566</u>	<u>\$ 313,593</u>	<u>\$ 77,027</u>

City of Carroll, Texas
 Reinvestment Zone #3 Budgetary Comparison Schedule (Exhibit C-20)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 57,063	\$ 57,063	\$ 57,063	\$ -
Interest income	7,500	7,500	5,510	(1,990)
Total revenues	<u>64,563</u>	<u>64,563</u>	<u>62,573</u>	<u>(1,990)</u>
Expenditures				
Current				
City administration	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	64,563	64,563	62,573	(1,990)
Fund Balance -				
October 1 (Beginning)	<u>91,150</u>	<u>91,150</u>	<u>91,150</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 155,713</u>	<u>\$ 155,713</u>	<u>\$ 153,723</u>	<u>\$ (1,990)</u>

City of Carroll, Texas
 Debt Service Fund Budgetary Comparison Schedule (Exhibit C-21)
 Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 5,040,960	\$ 5,040,960	\$ 5,006,204	\$ (34,756)
Interest Income	-	-	79,198	79,198
Miscellaneous	431,685	431,685	431,685	-
Total revenues	<u>5,472,645</u>	<u>5,472,645</u>	<u>5,517,087</u>	<u>44,442</u>
Expenditures				
Debt Service:				
Principal	3,539,904	3,539,904	3,539,878	26
Interest	1,875,616	1,875,616	1,775,631	99,985
Bond fees	10,000	10,000	3,100	6,900
Capital outlay	-	-	-	-
Total expenditures	<u>5,425,520</u>	<u>5,425,520</u>	<u>5,318,609</u>	<u>106,911</u>
Excess (Deficiency) of Revenues over Expenditures	<u>47,125</u>	<u>47,125</u>	<u>198,478</u>	<u>151,353</u>
Other Financing Sources (Uses)				
Issuance of leases	-	-	-	-
Payments to bond				
Transfers out	(472,617)	(472,617)	(477,674)	(5,057)
Transfers in	-	-	23,211	23,211
Total Other Financing Sources (Uses)	<u>(472,617)</u>	<u>(472,617)</u>	<u>(454,463)</u>	<u>18,154</u>
Net Change in Fund Balance	(425,492)	(425,492)	(255,985)	169,507
Fund Balance -				
October 1 (Beginning)	<u>1,128,703</u>	<u>1,128,703</u>	<u>1,128,703</u>	<u>-</u>
Fund Balance -				
September 30 (Ending)	<u>\$ 703,211</u>	<u>\$ 703,211</u>	<u>\$ 872,718</u>	<u>\$ 169,507</u>

	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Assets				
Cash and cash equivalents	\$ 316,236	\$ 466,611	\$ 127,330	\$ 1,085,653
Investments	891,497	-	-	-
Receivables (net of allowance)				
Accounts	31,411	-	-	-
Interest	1,226	3,727	491	4,207
Miscellaneous	49,014	12,554	-	-
Total assets	<u>\$ 1,289,384</u>	<u>\$ 482,892</u>	<u>\$ 127,821</u>	<u>\$ 1,089,860</u>
Liabilities				
Accounts payable	\$ 44,362	\$ -	\$ 30,405	\$ 5,397
Other liabilities	45,511	-	-	-
Total liabilities	<u>89,873</u>	<u>-</u>	<u>30,405</u>	<u>5,397</u>
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	-	-	-	-
Committed	1,199,511	482,892	97,416	1,084,463
Total fund balances	<u>1,199,511</u>	<u>482,892</u>	<u>97,416</u>	<u>1,084,463</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,289,384</u>	<u>\$ 482,892</u>	<u>\$ 127,821</u>	<u>\$ 1,089,860</u>

City of Columbia, Texas
 Combining Balance Sheet – Nonmajor Capital Projects Funds (Exhibit C-22)
 September 30, 2025

2016 CO Fund	2019 CO Fund	2020 CO Fund	2021A CO Fund	LCFD Public Property	Total Nonmajor Capital Projects Funds
\$ 149,465	\$ 121,263	\$ 33,486	\$ -	\$ 25,922	\$ 2,325,966
1,915,706	2,468,705	1,302,885	-	-	6,578,793
-	-	-	-	-	31,411
7,232	-	4,314	-	100	21,297
-	930,356	-	-	-	991,924
<u>\$ 2,072,403</u>	<u>\$ 3,520,324</u>	<u>\$ 1,340,685</u>	<u>\$ -</u>	<u>\$ 26,022</u>	<u>\$ 9,949,391</u>
\$ -	\$ -	\$ 194,942	\$ -	\$ -	\$ 275,106
-	-	-	-	-	45,511
-	-	194,942	-	-	320,617
-	938,192	-	-	-	938,192
-	938,192	-	-	-	938,192
2,072,403	2,582,132	1,145,743	-	-	5,800,278
-	-	-	-	26,022	2,890,304
<u>2,072,403</u>	<u>2,582,132</u>	<u>1,145,743</u>	<u>-</u>	<u>26,022</u>	<u>8,690,582</u>
<u>\$ 2,072,403</u>	<u>\$ 3,520,324</u>	<u>\$ 1,340,685</u>	<u>\$ -</u>	<u>\$ 26,022</u>	<u>\$ 9,949,391</u>

	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Revenues				
Escrow and impact fees	\$ -	\$ -	\$ -	\$ -
Fire services	78,361	-	-	-
Donations	60,000	-	-	2,074
Interest income	59,019	20,528	6,992	49,596
Miscellaneous	308,706	-	-	-
Total revenues	<u>506,086</u>	<u>20,528</u>	<u>6,992</u>	<u>51,670</u>
Expenditures				
Current				
Public safety	12,141	-	-	-
Public works	8,100	-	-	-
City administration	-	-	-	125,550
Debt service				
Principal	-	-	342,094	-
Interest	-	-	48,116	-
Capital outlay	774,287	285,689	267,778	79,165
Total expenditures	<u>794,528</u>	<u>285,689</u>	<u>657,988</u>	<u>204,715</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(288,442)</u>	<u>(265,161)</u>	<u>(650,996)</u>	<u>(153,045)</u>
Other Financing Sources (Uses)				
Issuance of leases	-	173,935	221,867	-
Proceeds from sale of capital assets	-	54,602	3,376	620
Transfers out	(88,481)	-	-	-
Transfers in	290,000	70,000	404,412	323,647
Total Other Financing Sources (Uses)	<u>201,519</u>	<u>298,537</u>	<u>629,655</u>	<u>324,267</u>
Net Change in Fund Balance	(86,923)	33,376	(21,341)	171,222
Fund Balance - October 1 (Beginning)	<u>1,286,434</u>	<u>449,516</u>	<u>118,757</u>	<u>913,241</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,199,511</u>	<u>\$ 482,892</u>	<u>\$ 97,416</u>	<u>\$ 1,084,463</u>

City of ...
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
 Capital Projects (Exhibit C-23)
 Year Ended September 30, 2025

2016 CO Fund	2019 CO Fund	2020 CO Fund	2021A CO Fund	LCFD Public Property	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	78,361
-	-	-	-	-	62,074
88,789	178,673	68,788	3,553	1,099	477,037
-	-	-	-	-	308,706
<u>88,789</u>	<u>178,673</u>	<u>68,788</u>	<u>3,553</u>	<u>1,099</u>	<u>926,178</u>
-	-	-	-	-	12,141
-	-	-	-	-	8,100
-	-	-	-	-	125,550
-	-	-	-	-	342,094
-	-	-	-	-	48,116
-	1,890,915	393,626	45,203	-	3,736,663
-	<u>1,890,915</u>	<u>393,626</u>	<u>45,203</u>	-	<u>4,272,664</u>
<u>88,789</u>	<u>(1,712,242)</u>	<u>(324,838)</u>	<u>(41,650)</u>	<u>1,099</u>	<u>(3,346,486)</u>
-	-	-	-	-	395,802
-	-	-	-	-	58,598
-	(136,676)	(316,760)	(68,214)	-	(610,131)
-	586,921	-	-	-	1,674,980
-	<u>450,245</u>	<u>(316,760)</u>	<u>(68,214)</u>	-	<u>1,519,249</u>
88,789	(1,261,997)	(641,598)	(109,864)	1,099	(1,827,237)
<u>1,983,614</u>	<u>3,844,129</u>	<u>1,787,341</u>	<u>109,864</u>	<u>24,923</u>	<u>10,517,819</u>
<u>\$ 2,072,403</u>	<u>\$ 2,582,132</u>	<u>\$ 1,145,743</u>	<u>\$ -</u>	<u>\$ 26,022</u>	<u>\$ 8,690,582</u>

City of Corinth, Texas
 Balance Sheet – Component Units (Exhibit C-24)
 September 30, 2025

	Corinth Economic Development Corporation	Corinth Economic Development Foundation	Total Discretely Presented Component Units
Assets			
Cash and cash equivalents	\$ 1,325,394	\$ -	\$ 1,325,394
Investments	814,295	-	814,295
Receivables (net of allowance)			
Sales taxes	237,729	-	237,729
Interest	3,810	-	3,810
Total assets	<u>\$ 2,381,228</u>	<u>\$ -</u>	<u>\$ 2,381,228</u>
Liabilities			
Accounts payable	<u>\$ 3,573</u>	<u>\$ -</u>	<u>\$ 3,573</u>
Total liabilities	<u>3,573</u>	<u>-</u>	<u>3,573</u>
Fund Balances			
Restricted for economic development	<u>2,377,655</u>	<u>-</u>	<u>2,377,655</u>
Total fund balances	<u>2,377,655</u>	<u>-</u>	<u>2,377,655</u>
Total liabilities and fund balances	<u>\$ 2,381,228</u>	<u>\$ -</u>	<u>\$ 2,381,228</u>

Reconciliation of the Balance Sheet of Component Units to the Statement of Net Position (Exhibit C-25)

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Total Fund Balances - Component Units (CU)	\$ 2,377,655	\$ -
Amounts reported for CU in the statement of net position are different because:		
Capital assets used in CU are not current financial resources and therefore are not reported in the balance sheet.	4,575,099	1,081,218
Included in liabilities is the recognition of the CU's net pension liability in the amount of \$104,951, a deferred inflow of resources of \$4,153 and a deferred outflow of resources of \$57,917. This results in a decrease in net position.	(51,187)	-
Included in liabilities is the recognition of the CU's total OPEB liability in the amount of \$4,111, a deferred inflow of resources of \$2,376, and a deferred outflow of resources of \$1,072. This results in a decrease in net position.	(5,415)	-
Net Position of Component Units	<u>\$ 6,896,152</u>	<u>\$ 1,081,218</u>

Statement of Revenues, Expenditures and Changes in Fund Balances – Component Units (Exhibit C-26)
Year Ended September 30, 2025

	Corinth Economic Development Corporation	Corinth Economic Development Foundation	Total Discretely Presented Component Units
Revenues			
Taxes			
Sales	\$ 1,389,529	\$ -	\$ 1,389,529
Interest income	79,655	-	79,655
Total revenues	<u>1,469,184</u>	<u>-</u>	<u>1,469,184</u>
Expenditures			
Current			
Planning and community development	682,082	-	682,082
Capital outlay	1,528,182	-	1,528,182
Total expenditures	<u>2,210,264</u>	<u>-</u>	<u>2,210,264</u>
Net Change in Fund Balance	(741,080)	-	(741,080)
Fund Balance - October 1 (Beginning)	<u>3,118,735</u>	<u>-</u>	<u>3,118,735</u>
Fund Balance - September 30 (Ending)	<u>\$ 2,377,655</u>	<u>\$ -</u>	<u>\$ 2,377,655</u>

Section H, Item 3.

City of Corinth, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Component Units to
the Statement of Activities (Exhibit C-27)
Year Ended September 30, 2025

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Net Change in Fund Balances - Component Units (CU)	\$ (741,080)	\$ -
Amounts reported for CU in the statement of activities are different because:		
The value of assets purchased increases net position.	1,528,182	-
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$8,622. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$10,784.	(2,162)	-
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$126. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$168.	(42)	-
Change in Net Position of Component Units	<u>\$ 784,898</u>	<u>\$ -</u>

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STATISTICAL SECTION

CITY OF CORINTH, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

	2016	2017	2018
Governmental Activities			
Net Investment in Capital Assets	\$ 35,967,465	\$ 35,025,019	\$ 35,039,143
Restricted	1,759,359	2,600,794	2,830,975
Unrestricted	1,817,109	3,328,479	3,038,070
Total Governmental Activities Net Position	<u>\$ 39,543,933</u>	<u>\$ 40,954,292</u>	<u>\$ 40,908,188</u>
Business-type Activities			
Net Investment in Capital Assets	\$ 21,537,921	\$ 21,633,740	\$ 23,453,132
Restricted	647,502	1,127,099	1,295,181
Unrestricted	4,285,029	5,523,850	5,059,830
Total Business-Type Activities Net Position	<u>\$ 26,470,452</u>	<u>\$ 28,284,689</u>	<u>\$ 29,808,143</u>
Primary Government			
Net Investment in Capital Assets	\$ 57,505,386	\$ 56,658,759	\$ 58,492,275
Restricted	2,406,861	3,727,893	4,126,156
Unrestricted	6,102,138	8,852,329	8,097,900
Total Primary Government Net Position	<u>\$ 66,014,385</u>	<u>\$ 69,238,981</u>	<u>\$ 70,716,331</u>

Note:
Governmental Activities:
2023 restated for correction of an error

Business-type Activities:
2023 restated for correction of an error

TABLE D-1

2019	2020	2021	2022	2023	2024	2025
\$ 33,452,733	\$ 34,592,990	\$ 33,285,776	\$ 35,071,832	\$ 39,606,854	\$ 44,013,068	\$ 45,454,827
3,031,918	3,314,583	4,223,592	4,052,217	3,684,712	6,079,418	6,782,755
3,584,935	4,478,248	3,676,730	5,394,533	7,673,600	8,927,856	10,759,500
<u>\$ 40,069,586</u>	<u>\$ 42,385,821</u>	<u>\$ 41,186,098</u>	<u>\$ 44,518,582</u>	<u>\$ 50,965,166</u>	<u>\$ 59,020,342</u>	<u>\$ 62,997,082</u>
\$ 24,556,072	\$ 23,942,064	\$ 23,198,149	\$ 24,050,367	\$ 27,843,511	\$ 30,243,771	\$ 26,388,060
1,162,172	792,236	1,183,413	1,779,473	2,126,127	3,343,113	3,646,975
5,471,344	5,572,010	7,217,532	9,241,833	9,424,562	9,645,262	9,934,871
<u>\$ 31,189,588</u>	<u>\$ 30,306,310</u>	<u>\$ 31,599,094</u>	<u>\$ 35,071,673</u>	<u>\$ 39,394,200</u>	<u>\$ 43,232,146</u>	<u>\$ 39,969,906</u>
\$ 58,008,805	\$ 58,535,054	\$ 56,483,925	\$ 59,122,199	\$ 67,450,365	\$ 74,256,839	\$ 71,842,887
4,194,090	4,106,819	5,407,005	5,831,690	5,810,839	9,422,531	10,429,730
9,056,279	10,050,258	10,894,262	14,636,366	17,098,162	18,573,118	20,694,371
<u>\$ 71,259,174</u>	<u>\$ 72,692,131</u>	<u>\$ 72,785,192</u>	<u>\$ 79,590,255</u>	<u>\$ 90,359,366</u>	<u>\$ 102,252,488</u>	<u>\$ 102,966,988</u>

CITY OF CORINTH, TEXAS**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE****LAST TEN FISCAL YEARS****(ACCRUAL BASIS OF ACCOUNTING)***(Unaudited)*

Expenses	2016	2017	2018	2019
Governmental Activities:				
Public Safety	\$ 9,331,392	\$ 10,464,824	\$ 12,945,976	\$ 13,272,969
Community Services	1,734,299	1,533,030	1,511,542	1,445,580
Public Works	4,471,115	4,534,197	1,595,297	2,915,701
Planning & Community Development	1,013,413	857,360	1,034,510	1,169,750
City Administration	2,032,778	1,940,255	2,128,443	2,660,731
Finance and Administrative Services	878,384	888,324	886,880	1,026,613
Interest on Long-Term Debt	747,838	844,665	828,591	1,201,636
Total Governmental Activities Expenses	20,209,219	21,062,655	20,931,239	23,692,980
Business-Type Activities:				
Water and sewer	12,157,058	12,098,839	12,342,091	12,540,351
Storm drainage	525,740	517,412	560,241	664,736
Total Business-Type Activities Expenses	12,682,798	12,616,251	12,902,332	13,205,087
Total Primary Government Expenses	\$ 32,892,017	\$ 33,678,906	\$ 33,833,571	\$ 36,898,067
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	\$ 3,960,494	\$ 3,934,109	\$ 3,351,543	\$ 4,557,446
Community Services	206,560	210,498	234,622	353,124
Public Works	59,205	156,559	207,711	554,556
Planning & Community Development	540,906	1,200,712	749,678	475,134
City Administration	105,401	93,302	83,042	54,317
Operating Grants & Contributions	189,114	97,506	277,286	370,016
Capital Grants & Contributions	332,872	1,630,239	1,266,428	810,401
Total Governmental Activities Program	5,394,552	7,322,925	6,170,310	7,174,994
Business-Type Activities:				
Charges for Services:				
Water & Wastewater	11,047,722	11,332,588	13,152,059	12,250,426
Storm Water Utility	703,783	727,197	719,458	727,497
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	1,448,393	2,997,195	937,813	1,320,436
Total Business-Type Activities Program	13,199,898	15,056,980	14,809,330	14,298,359
Total Primary Government Program	\$ 18,594,450	\$ 22,379,905	\$ 20,979,640	\$ 21,473,353
Net (Expense)/Revenue				
Governmental Activities	\$ (14,814,667)	\$ (13,739,730)	\$ (14,760,929)	\$ (16,517,986)
Business-Type Activities	517,100	2,440,729	1,906,998	1,093,272
Total Primary Government Net Expense	\$ (14,297,567)	\$ (11,299,001)	\$ (12,853,931)	\$ (15,424,714)

Note:

2023 restated for correction of an error

TABLE D-2

2020	2021	2022	2023	2024	2025
\$ 11,917,879	\$ 12,059,685	\$ 12,229,945	\$ 14,880,320	\$ 13,915,501	\$ 17,721,483
1,612,246	2,062,111	2,172,726	2,584,004	3,331,212	3,188,752
4,425,877	4,076,489	5,273,963	5,217,679	6,009,414	5,737,449
1,229,618	1,041,345	864,967	1,190,610	1,411,969	1,667,151
2,592,272	5,612,646	4,482,255	3,693,108	4,192,822	4,677,145
1,105,611	987,844	1,192,590	1,355,623	1,102,641	1,370,932
1,126,076	1,886,621	1,338,507	986,950	1,535,440	1,539,083
24,009,579	27,726,741	27,554,953	29,908,294	31,498,999	35,901,995
13,227,342	13,184,689	14,129,665	15,606,723	16,839,383	21,606,046
678,058	665,081	660,768	807,480	931,097	1,332,756
13,905,400	13,849,770	14,790,433	16,414,203	17,770,480	22,938,802
\$ 37,914,979	\$ 41,576,511	\$ 42,345,386	\$ 46,322,497	\$ 49,269,479	\$ 58,840,797
\$ 3,533,674	\$ 3,991,353	\$ 5,090,198	\$ 5,906,447	\$ 4,877,629	\$ 7,087,302
102,516	261,673	217,686	109,498	117,312	124,970
203,658	211,992	248,416	170,717	1,989,982	1,129,256
664,502	671,772	1,096,154	1,181,641	3,203,020	1,718,180
100,472	130,063	97,337	50,420	5,478	38,515
1,528,396	713,760	802,798	516,860	642,661	592,955
1,258,616	1,437,849	3,426,005	3,604,757	2,114,118	1,335,227
7,391,834	7,418,462	10,978,594	11,540,340	12,950,200	12,026,405
12,662,764	14,020,111	15,360,377	16,482,889	16,563,402	17,699,778
737,609	731,067	846,546	788,106	769,255	820,251
-	50,935	10,187	-	-	-
1,073,307	975,552	2,565,707	3,234,903	3,466,211	930,584
14,473,680	15,777,665	18,782,817	20,505,898	20,798,868	19,450,613
\$ 21,865,514	\$ 23,196,127	\$ 29,761,411	\$ 32,046,238	\$ 33,749,068	\$ 31,477,018
\$ (16,617,745)	\$ (20,308,279)	\$ (16,576,359)	\$ (18,367,954)	\$ (18,548,799)	\$ (23,875,590)
568,280	1,927,895	3,992,384	4,091,695	3,028,388	(3,488,189)
\$ (16,049,465)	\$ (18,380,384)	\$ (12,583,975)	\$ (14,276,259)	\$ (15,520,411)	\$ (27,363,779)

CITY OF CORINTH, TEXAS**GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION****LAST TEN FISCAL YEARS****(ACCRUAL BASIS OF ACCOUNTING)****(Unaudited)**

Net (Expense)/Revenue	2016	2017	2018	2019
Governmental Activities	\$ (14,814,667)	\$ (13,739,730)	\$ (14,760,929)	\$ (16,517,986)
Business-Type Activities	517,100	2,440,729	1,906,998	1,093,272
Total Primary Government Net Expense	(14,297,567)	(11,299,001)	(12,853,931)	(15,424,714)

General Revenues and Other Changes in Net Position

Governmental Activities:

Taxes				
Property Taxes	9,663,535	10,629,143	10,587,532	11,514,505
Sales Taxes	2,023,059	2,253,805	2,370,316	2,463,471
Franchise Taxes	1,068,910	1,073,789	1,120,653	1,083,553
Hotel Occupancy Tax	79,007	77,673	61,181	82,835
Vehicle Tax	-	-	-	-
Other income	237,674	204,231	251,014	(806)
Investment income	87,433	228,971	57,042	455,456
Gain (Loss) on sale of Capital Assets	43,222	3,497	94,205	-
Transfers	1,159,074	678,980	498,018	80,370
Total Governmental Activities	14,361,914	15,150,089	15,039,961	15,679,384

Business-Type Activities:

Other income	4,741	7,600	94,664	28,674
Investment income	26,328	43,692	6,748	263,798
Gain (Loss) on sale of Capital Assets	9,768	1,196	42,141	76,071
Transfers	(1,159,074)	(678,980)	(498,018)	(80,370)
Total Business-Type Activities	(1,118,237)	(626,492)	(354,465)	288,173
Total Primary Government	13,243,677	14,523,597	14,685,496	15,967,557

Change in Net Position

Governmental Activities	(452,753)	1,410,359	279,032	(838,602)
Business-Type Activities	(601,137)	1,814,237	1,552,533	1,381,445
Total Primary Government	\$ (1,053,890)	\$ 3,224,596	\$ 1,831,565	\$ 542,843

Note:

Hotel Occupancy Tax was reported previously in the Sales Tax category.

This information is presented using the accrual basis of accounting.

2023 restated for correction of an error

TABLE D-3

2020	2021	2022	2023	2024	2025
\$ (16,617,745)	\$ (20,308,279)	\$ (16,576,359)	\$ (18,367,954)	\$ (18,548,799)	\$ (23,875,590)
568,280	1,927,895	3,992,384	4,091,695	3,028,388	(3,488,189)
(16,049,465)	(18,380,384)	(12,583,975)	(14,276,259)	(15,520,411)	(27,363,779)
12,974,859	14,134,421	14,683,023	16,033,365	17,454,780	18,820,084
2,635,407	2,743,610	3,091,696	3,425,043	3,724,346	4,078,154
1,195,130	1,048,013	1,283,833	1,217,973	1,213,743	1,261,367
71,707	77,878	109,825	119,539	119,586	129,461
-	577	42,361	147,926	165,681	158,590
10,436	23,831	98,336	1,735,720	2,138,192	969,535
335,182	104,170	(53,482)	1,787,287	1,507,312	1,805,674
54,204	199,726	40,314	56,350	-	-
1,657,055	776,330	612,937	291,335	280,335	772,452
18,933,980	19,108,556	19,908,843	24,814,538	26,603,975	27,995,317
1,269	3,038	23,058	26,075	1,079,140	684
203,839	44,066	70,074	476,066	10,753	997,717
389	94,115	-	20,026	-	-
(1,657,055)	(776,330)	(612,937)	(291,335)	(280,335)	(772,452)
(1,451,558)	(635,111)	(519,805)	230,832	809,558	225,949
17,482,422	18,473,445	19,389,038	25,045,370	27,413,533	28,221,266
2,316,235	(1,199,723)	3,332,484	6,446,584	8,055,176	4,119,727
(883,278)	1,292,784	3,472,579	4,322,527	3,837,946	(3,262,240)
\$ 1,432,957	\$ 93,061	\$ 6,805,063	\$ 10,769,111	\$ 11,893,122	\$ 857,487

CITY OF CORINTH, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

General Fund	2016	2017	2018	2019
Non-Spendable	\$ 439,146	\$ 195,750	\$ 251,776	\$ 155,611
Unassigned	3,295,962	5,243,056	5,184,229	4,929,660
Total General Fund	\$ 3,735,108	\$ 5,438,806	\$ 5,436,005	\$ 5,085,271

All Other Governmental Funds

Non-Spendable	\$ -	\$ -	\$ -	\$ -
Restricted	13,370,197.00	14,479,349.00	5,873,511.00	16,539,952.00
Committed	2,623,387	2,703,352	3,156,896	3,485,998
Unassigned	(442,236)	(298,848)	(389,299)	-
Total all other Governmental Funds	\$ 15,551,348	\$ 16,883,853	\$ 8,641,108	\$ 20,025,950

TABLE D-4

2020	2021	2022	2023	2024	2025
\$ 143,205	\$ 24,854	\$ 17,727	\$ 29,016	\$ 57,233	\$ 51,011
6,278,671	4,333,241	5,163,572	7,504,530	10,518,074	10,734,400
\$ 6,421,876	\$ 4,358,095	\$ 5,181,299	\$ 7,533,546	\$ 10,575,307	\$ 10,785,411
\$ -	\$ -	\$ 14,200	\$ 7,000	\$ 11,009	\$ 13,500
19,529,962.00	31,322,723.00	31,064,231.00	23,294,329	20,803,409	19,877,990
3,570,833	3,897,165	3,338,827	3,544,894	2,897,110	3,178,006
(234,548)	-	-	-	-	-
\$ 22,866,247	\$ 35,219,888	\$ 34,417,258	\$ 26,846,223	\$ 23,711,528	\$ 23,069,496

CITY OF CORINTH, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Revenues	2016	2017	2018	2019
Taxes	\$ 12,807,008	\$ 14,034,768	\$ 14,100,926	\$ 15,198,411
Licenses, Fees and Permits	797,332	1,557,520	1,170,581	1,366,719
Fines & Penalties	712,852	619,747	758,997	1,240,152
Charges for Services	3,159,963	3,063,911	3,325,163	2,709,304
Investment Earnings	87,433	204,231	251,014	455,456
Donations	186,220	94,185	1,542,462	556,586
Grants	3,144	2,419	1,576	326,757
Other Revenues	289,805	322,436	351,397	83,466
Total Revenues	18,043,757	19,899,217	21,502,116	21,936,851
Expenditures				
Public Safety	9,702,983	9,234,496	10,620,034	10,441,255
Community Services	1,507,526	1,353,153	1,428,385	1,447,632
Public Works	1,721,981	1,086,857	886,891	1,151,389
Planning & Community Development	981,151	874,835	1,040,104	1,129,699
City Administration	2,173,809	1,777,956	2,114,840	2,526,410
Finance and Administrative Services	862,114	862,354	893,640	1,014,807
Capital Outlay	3,727,303	4,958,837	7,965,300	2,649,662
Debt Service				
Principal	1,806,587	1,542,615	1,375,785	1,769,461
Interest	784,585	1,109,103	1,064,269	981,456
Bond Issuance Costs	-	232,870	10,440	164,276
Total Expenditures	23,268,039	23,033,076	27,399,688	23,276,047
Other Financing Sources (Uses)				
Bonds Issued	17,116,713	13,017,245	-	10,754,800
Payments to Escrow Agent	(1,179,213)	(7,542,236)	-	-
Bond Premium/Discount	-	-	-	608,543
Lease Proceeds	-	-	-	800,928
Loan Proceeds	-	-	-	-
Subscription IT Proceeds	-	-	-	-
Sale of Capital Assets	65,887	16,073	182,498	128,663
Transfers In/Out	1,159,074	678,980	(2,373,559)	80,370
Total Other Financing Sources (Uses)	17,162,461	6,170,062	(2,191,061)	12,373,304
Net Change in Fund Balances	\$ 11,938,179	\$ 3,036,203	\$ (8,088,633)	\$ 11,034,108
Debt service as a percentage of noncapital expenditures	15.45%	16.30%	13.22%	13.59%

TABLE D-5

	2020	2021	2022	2023	2024	2025
\$	16,817,677	\$ 17,920,034	\$ 19,206,995	\$ 20,896,496	\$ 22,595,107	\$ 24,369,091
	1,194,517	1,652,731	2,062,724	2,248,717	6,332,478	4,361,169
	957,010	809,723	769,490	784,327	774,828	696,476
	2,679,874	2,677,496	3,750,448	3,990,044	4,191,506	4,525,379
	335,182	104,170	(53,482)	1,787,287	2,138,192	1,805,674
	1,095,664	1,026,011	268,493	86,644	213,794	161,270
	1,422,868	609,971	2,105,671	1,391,974	1,922,037	177,419
	56,980	77,917	514,781	2,303,860	2,116,398	1,593,301
	24,559,772	24,878,053	28,625,120	33,489,349	40,284,340	37,689,779
	10,668,378	11,369,753	11,818,589	13,040,798	14,726,613	15,986,447
	1,457,005	1,707,219	1,854,570	2,166,682	3,115,558	2,938,192
	1,356,060	902,612	2,187,128	1,860,362	2,019,186	1,893,434
	1,205,791	1,056,555	910,582	1,108,543	1,393,860	1,622,107
	2,391,519	5,405,038	4,242,803	3,189,635	3,785,641	4,140,796
	1,108,038	1,023,014	1,251,734	1,259,753	1,107,187	1,379,747
	4,394,655	6,686,444	9,596,163	18,938,353	9,332,074	5,626,568
						-
	2,044,146	1,840,158	3,367,285	3,851,609	4,237,203	4,459,939
	1,474,914	1,583,270	1,558,389	1,080,291	2,012,635	1,900,484
	1,314	360,010	131,743	107,645	3,100	3,100
	26,101,820	31,934,073	36,918,986	46,603,671	41,733,057	39,950,814
	-	14,000,000	4,285,000	5,654,700	-	-
	-	-	-	-	-	-
	-	1,048,911	344,235	375,551	-	-
	267,714	533,120	536,024	835,654	268,349	853,663
	-	-	2,176,669	56,512	-	-
	-	-	-	537,086	55,510	144,394
	54,204	206,211	359,575	144,696	103,762	58,598
	5,397,032	1,557,638	612,937	291,335	928,162	772,452
	5,718,950	17,345,880	8,314,440	7,895,534	1,355,783	1,829,107
\$	4,176,902	\$ 10,289,860	\$ 20,574	\$ (5,218,788)	\$ (92,934)	\$ (431,928)
	16.28%	13.60%	18.06%	17.84%	20.78%	18.28%

CITY OF CORINTH, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE D-6

Fiscal Year	Property Tax	Sales, Hotel & Vehicle Tax	Franchise Tax	Total
2016	\$ 9,636,032	\$ 2,102,066	\$ 1,068,910	\$ 12,807,008
2017	10,629,501	2,331,478	1,073,789	14,034,768
2018	10,548,776	2,431,497	1,120,653	14,100,926
2019	11,568,552	2,546,306	1,083,553	15,198,411
2020	12,957,698	2,707,114	1,152,865	16,817,677
2021	14,047,742	2,822,065	1,050,227	17,920,034
2022	14,701,837	3,243,882	1,261,276	19,206,995
2023	15,986,834	3,692,508	1,217,154	20,896,496
2024	17,413,225	4,009,613	1,172,269	22,595,107
2025	18,700,742	4,366,205	1,302,144	24,369,091
Percent Change 2016-2025	94.07%	107.71%	21.82%	90.28%

TABLE D-7

CITY OF CORINTH, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percent of Actual Taxable Value
2016	\$ 1,348,410,542	\$ 385,457,523	\$ 95,347,173	\$ 1,638,520,892	\$ 0.58489	\$ 1,770,835,524	92.53%
2017	1,479,545,576	425,594,137	105,756,559	1,799,383,154	0.58193	1,969,484,281	91.36%
2018	1,610,439,701	484,323,152	142,108,059	1,952,654,794	0.53686	2,143,695,625	91.09%
2019	1,771,534,525	537,621,735	149,874,977	2,159,281,283	0.53000	2,348,254,444	91.95%
2020	1,899,769,993	605,143,541	158,782,796	2,346,130,738	0.54500	2,592,331,676	90.50%
2021	2,141,070,040	587,392,141	202,150,348	2,526,311,833	0.57817	2,894,333,831	87.28%
2022	2,403,201,893	801,538,908	276,156,508	2,928,584,293	0.56700	3,476,760,264	84.23%
2023	2,440,063,605	809,056,895	276,446,508	2,972,673,992	0.54000	3,428,431,830	86.71%
2024	2,712,936,694	890,492,383	296,664,644	3,306,807,813	0.52000	4,007,938,592	82.51%
2025	3,067,921,727	917,294,045	324,097,266	3,649,440,714	0.51400	4,201,752,198	86.86%

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

TABLE D-8

Fiscal Year	City Property Tax Rate			Overlapping Rates		
	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Denton County
2016	\$ 0.44143	\$ 0.14346	\$ 0.58489	\$ 1.54000	\$ 1.67000	\$ 0.26200
2017	0.44298	0.13895	0.58193	1.54000	1.67000	0.24841
2018	0.42791	0.10895	0.53686	1.54000	1.67000	0.23780
2019	0.42711	0.10289	0.53000	1.54000	1.67000	0.22560
2020	0.43211	0.11289	0.54500	1.47000	1.56830	0.22528
2021	0.43923	0.13894	0.57817	2.40760	1.55030	0.22499
2022	0.42700	0.14000	0.56700	1.36200	1.50030	0.233086
2023	0.40200	0.13800	0.54000	1.34460	1.44929	0.217543
2024	0.38400	0.13600	0.52000	1.15920	1.25750	0.189485
2025	0.37621	0.13779	0.51400	1.15690	1.25520	0.018949

Source: Denton County Appraisal District

CITY OF CORINTH, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE D-9

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Oxford 2181 Inc	\$ 43,500,000	1	1.19%			
Millennium Place LP	35,503,869	2	0.97%			
Carleton MR Corinth Partners	32,137,736	3	0.88%			
Denton County Electric Coop	31,877,123	4	0.87%	\$ 21,030,718	1	1.28%
Boulevard 2010 LLC	29,584,693	5	0.81%			
Pecos Housing Finance	25,341,594	6	0.69%			
IRBY Company	23,931,530	7	0.66%			
Atmos Energy	18,572,600	8	0.51%			
Oncor Electric Delivery Co	18,497,571	9	0.51%	12,883,342	3	0.79%
EAN Holdings LLC	13,479,584	10	0.37%			
S. Corinth Apts LLC, dba The Blvd				15,178,509	2	0.93%
MPT of Corinth, LP				12,815,000	4	0.78%
HD Supply Utilities LTD #3430				12,613,427	5	0.77%
Utter Properties, LLC				8,712,098	6	0.53%
Texas NHI Investors LLC				8,390,000	7	0.51%
Tower Ridge Corinth 1, Ltd.				8,076,706	8	0.49%
Utter, Bill				6,946,009	9	0.42%
2-10 Properties LLC				6,477,481	10	0.40%
Total	\$ 272,426,300		7.46%	\$ 113,123,290		6.90%

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE D-10

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2016	\$ 9,594,646	\$ 9,568,054	99.72%	\$ 22,344	\$ 9,590,398	99.96%
2017	10,467,690	10,432,195	99.66%	31,432	10,463,627	99.96%
2018	10,503,022	10,472,993	99.71%	25,922	10,498,915	99.96%
2019	11,487,858	11,458,626	99.75%	25,052	11,483,678	99.96%
2020	12,930,801	12,883,707	99.64%	37,701	12,921,408	99.93%
2021	14,109,671	14,010,541	99.30%	85,969	14,096,510	99.91%
2022	14,638,847	14,568,605	99.52%	44,479	14,613,084	99.82%
2023	15,935,084	15,849,908	99.47%	19,680	15,869,588	99.59%
2024	17,433,467	17,335,363	99.44%	1,420	17,336,783	99.45%
2025	18,750,700	18,620,371	99.30%	-	18,620,371	99.30%

Note:

Current year original tax levy net of supplements and adjustments in current tax year.
 Collections in subsequent years are net of supplements and adjustments in subsequent years.

Source: Denton County Tax Office

CITY OF CORINTH, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

TABLE D-11

Fiscal Year	Corinth Direct Sales Tax Rate	Corinth Street Maintenance Sales Tax	Economic Development Sec. 4(B) Sales Tax	Corinth Crime Control & Prevention Sales Tax	Fire Control, Prevention & Emergency Management Sales Tax
2016	1.00%	0.25%	0.50%	0.25%	-
2017	1.00%	0.25%	0.50%	0.25%	-
2018	1.00%	0.25%	0.50%	0.25%	-
2019	1.00%	0.25%	0.50%	0.25%	-
2020	1.00%	0.25%	0.50%	0.25%	-
2021	1.00%	0.25%	0.50%	0.25%	0.25%
2022	1.00%	-	0.50%	0.25%	0.25%
2023	1.00%	-	0.50%	0.25%	0.25%
2024	1.00%	-	0.50%	0.25%	0.25%
2025	1.00%	-	0.50%	0.25%	0.25%

Note:

The City elected for the Street Maintenance Sales Tax to lapse in December 2020.

The City enacted special legislation which provided the creation of a Fire Control, Prevention, and Emergency Management Sales Tax District under Local Government Code Chapter 344. The creation was approved by voters in November 2020. The effective date of tax began April 1, 2021.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

	2016	2017	2018	2019	2020
Construction	\$ 4,700,702	\$ 3,994,986	\$ 2,328,556	\$ 3,216,574	\$ 4,266,051
Manufacturing	753,527	614,605	1,253,393	2,049,745	555,049
Utilities	104,636,898	115,420,823	125,970,925	129,198,459	120,700,668
Wholesale Trade	7,302,049	10,649,928	8,692,469	7,471,542	3,201,080
Retail Trade	30,504,049	33,210,828	34,016,051	35,351,416	33,016,709
Other Services	7,686,622	7,466,146	8,497,374	8,194,907	6,579,265
Other	25,575,315	27,498,369	34,467,334	35,624,160	34,155,321
Total	<u>\$ 181,159,162</u>	<u>\$ 198,855,685</u>	<u>\$ 215,226,102</u>	<u>\$ 221,106,803</u>	<u>\$ 202,474,143</u>

Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%
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Note:
 Due to a reporting lag from the State Comptroller's Office, sales tax for 2025 reports includes information for the first three quarters.

Source: Texas State Comptroller

TABLE D-12

2021	2022	2023	2024	2025
\$ 4,849,391	\$ 7,005,697	\$ 5,556,928	\$ 8,715,043	\$ 4,950,908
500,469	740,838	793,243	720,735	548,061
140,030,608	201,929,194	189,727,869	211,293,984	165,150,794
4,483,597	4,566,053	5,752,846	6,682,634	3,752,157
39,611,848	43,058,951	46,490,352	49,588,838	37,977,398
7,634,313	7,958,039	8,714,650	8,986,225	6,347,668
43,257,603	47,193,198	51,595,464	51,356,434	37,233,691
\$ 240,367,829	\$ 312,451,970	\$ 308,631,352	\$ 337,343,893	\$ 255,960,677

1.00% 1.00% 1.00% 1.00% 1.00%

CITY OF CORINTH, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

TABLE D-13

Fiscal Year	General Bonded Debt			Percent of Actual Taxable Value of Property	Per Capita General Bonded Debt	Other Governmental Activities Debt		
	General Obligation Bonds	Certificates of Obligation/ Tax Notes	Total Tax Supported Debt			Lease Obligations	Notes Payable	Subscription IT Obligations
2016	\$ 3,458,925	\$ 20,102,388	\$ 23,561,313	1.44%	\$ 1,118	\$ 1,298,191	\$ -	\$ -
2017	7,809,874	18,335,001	26,144,875	1.45%	1,229	1,381,618	-	-
2018	6,663,408	15,470,001	22,133,409	1.13%	1,038	1,217,298	-	-
2019	5,458,611	26,134,070	31,592,681	1.46%	1,448	2,332,394	-	-
2020	4,424,982	31,995,399	36,420,381	1.55%	1,644	2,085,345	-	-
2021	3,829,672	46,900,428	50,730,100	2.01%	2,158	2,145,728	-	-
2022	3,269,518	45,761,394	49,030,912	1.67%	2,150	2,332,524	2,116,488	-
2023	2,681,239	52,963,904	55,645,143	1.87%	2,446	2,288,769	2,020,168	619,616
2024	2,492,064	50,468,876	52,960,940	1.60%	2,328	1,307,916	2,298,964	383,611
2025	1,701,067	44,722,591	46,423,658	1.27%	2,027	1,583,742	1,819,297	281,943

Fiscal Year	Business-Type Activities				Total Primary Government	Per Capita Primary Government	Percent of Personal Income
	General Obligation Bonds	Certificates of Obligation	Total	Lease Obligations			
2016	\$ 816,075	\$ 8,752,609	\$ 9,568,684	\$ -	\$ 34,428,188	1,633	4.15%
2017	7,885,126	2,628,570	10,513,696	-	38,040,189	1,789	4.46%
2018	6,801,595	2,800,000	9,601,595	-	32,952,302	1,546	3.80%
2019	5,791,392	11,240,931	17,032,323	170,237	51,127,635	2,343	5.63%
2020	5,015,020	8,732,684	13,747,704	151,982	52,405,412	2,365	5.95%
2021	4,340,332	7,693,835	12,034,167	217,538	65,127,533	2,770	6.62%
2022	3,705,486	6,348,606	10,054,092	148,596	63,682,612	2,793	6.67%
2023	3,038,765	12,497,532	15,536,297	198,529	76,308,522	3,355	6.49%
2024	1,902,940	11,906,153	13,809,093	154,548	70,915,072	3,118	6.03%
2025	1,298,937	10,517,409	11,816,346	335,942	62,260,928	2,718	5.02%

Note:

General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE D-14

Fiscal Year	General Obligation Bonds	Certificate Obligation Bonds	Premiums, Discounts	Less: Amounts Available in Debt Service Fund	Total	Percent of Actual Taxable Value of Property	Per Capita
2016	\$ 4,275,000	\$ 28,854,997	\$ 2,177,412	\$ 193,671 *	\$ 35,113,738	1.98%	\$ 1,666
2017	15,695,000	20,963,571	3,892,908	240,987 *	40,310,492	2.05%	1,895
2018	13,465,003	18,270,001	3,575,294	219,214 *	35,091,084	1.64%	1,646
2019	11,250,003	37,375,001	4,290,028	21,458 *	52,893,574	2.25%	2,424
2020	9,440,002	40,728,083	3,918,081	180,287 *	53,905,879	2.08%	2,433
2021	8,170,004	54,594,263	4,549,263	281,175 *	67,032,355	2.32%	2,851
2022	6,975,004	52,110,000	4,458,556	404,737 *	63,138,823	1.82%	2,769
2023	5,720,004	60,745,000	4,716,436	691,217 *	70,490,223	2.06%	3,099
2024	4,395,004	58,130,000	4,245,029	966,417	65,803,616	1.64%	2,893
2025	3,000,004	51,466,377	3,773,623	721,329	57,518,675	1.37%	2,511

Note:
 General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

*Restated for correction of an error

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 163,852,059	\$ 179,938,315	\$ 195,265,479	\$ 215,928,128
Total Net Debt Applicable to Limit	<u>32,782,746</u>	<u>33,639,319</u>	<u>31,435,810</u>	<u>48,282,291</u>
Legal Debt Margin	<u>\$ 131,069,313</u>	<u>\$ 146,298,996</u>	<u>\$ 163,829,669</u>	<u>\$ 167,645,837</u>
Total Net Debt Applicable to the Limit				
As a Percentage of Debt Limit	20.01%	18.69%	16.10%	22.36%

Source: City of Corinth Finance department

TABLE D-15

2020	2021	2022	2023	2024	2025
\$ 234,613,074	\$ 252,631,183	\$ 292,858,429	\$ 297,267,399	\$ 330,680,781	\$ 364,944,071
45,881,152	62,177,544	62,270,779	69,170,778	65,641,330	57,367,286
\$ 188,731,922	\$ 190,453,639	\$ 230,587,650	\$ 228,096,621	\$ 265,039,451	\$ 307,576,785

19.56% 24.61% 21.26% 23.27% 19.85% 15.72%

Assessed Value	\$ 3,649,440,714
Debt Limit (10% of Assessed Value)	364,944,071
Debt Applicable to Limit:	
Total Debt Outstanding	58,240,004
Less: Amount Set Aside for Repayment of Debt	<u>872,718</u>
Total Net Debt applicable to Limit	<u>57,367,286</u>
Legal Debt Margin	<u>\$ 307,576,785</u>

CITY OF CORINTH, TEXAS
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percent Applicable [1]	Estimated Share of Direct & Overlapping Debt
Debt Repaid With Property Taxes			
Denton Co.	\$ 721,100,000	1.83%	\$ 13,196,130
Denton ISD	2,408,300,000	4.73%	113,912,590
Lake Dallas ISD	159,000,040	44.65%	70,993,518
Subtotal, Overlapping Debt			198,102,238
City Direct Debt [2]			53,122,769
Total Direct and Overlapping Debt			\$ 251,225,007
Total Direct and Overlapping Debt % of AV			6.87%
Total Direct and Overlapping Debt per Capita			\$ 10,484

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Corinth. This process recognizes that, when considering the City of Corinth's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

[1] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable value that is within the City of Corinth's boundaries and dividing it by the overlapping government's total taxable assessed value.

[2] Does not include self-supporting debt.

Source: Compiled by Hilltop Securities Inc. using data from the Municipal Advisory Council of Texas

TABLE D-17

CITY OF CORINTH, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Population [1]	21,078	21,269	21,320	21,819	22,160	23,508	22,800	22,687	22,746	22,905
Median Household Income [2]	\$112,169	\$114,412	\$117,180	\$120,142	\$113,483	\$ 98,475	\$102,185	\$106,283	\$116,622	\$124,353
Per Capita Personal Income	\$ 39,357	\$ 40,144	\$ 40,683	\$ 41,616	\$ 39,723	\$ 41,865	\$ 46,714	\$ 48,602	\$ 51,715	\$ 54,163
Median Age	36	36	36	37	37.5	37.7	37.6	37.7	39.3	39.3
Education Level [3]										
School Enrollment	3,408	3,514	3,547	3,506	3,541	4,091	3,291	3,283	3,267	3,317
High school graduate or higher	97%	96%	96%	93%	92.9%	93.1%	93.4%	93.6%	95.5%	95.5%
Bachelor's degree or higher	40%	40%	40%	39%	41.7%	41.8%	42.7%	46.7%	45.1%	45.9%
Unemployment [4]	3.80%	3.10%	2.90%	3.00%	6.60%	5.60%	2.80%	2.30%	2.20%	2.30%

[1] The figures for 2019 are an estimate based on current trends.

[2] These figures are based on Catalyst Commercial and current trends.

[3] The school enrollment (Denton / Lake Dallas ISD) figures are based on numbers provided by the Texas Education Agency (TEA) for 2013-2017. The figures for 2018-2025 are estimated based on current enrollment.

[4] The unemployment figures shown above are for Denton County, as calculated by the Labor Market and Career Information (LMCI) Department of the Texas Workforce Commission.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE D-18

	2025			2016		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
CoServ	593	1	4.57%	440	1	9.32%
City of Corinth	193	2	1.49%	160	5	3.39%
Bill Utter Ford	180	3	1.39%	150	6	3.19%
North Central Texas College [1]	177	4	1.36%	340	2	7.20%
Lake Dallas ISD [1]	166	5	1.28%	197	3	4.17%
Denton ISD [1]	162	6	1.25%	166	4	3.52%
Denton Area Teachers Credit Union	147	7	1.13%	100	8	2.12%
Huffines Kia and Subaru	118	8	0.91%			
Albertsons	115	9	0.89%	90	9	1.91%
Metroplex Cabinets	93	10	0.72%			
Mac Haik Nissan				65	10	1.38%
Orr Nissan						
McClain's RV Ft. Worth Inc.						
Oakmont Country Club				101	7	2.14%
Total	1,944		14.99%	1,809		38.34%

Note:

[1] These figures reflect the total number of employees at the school district facilities in Corinth.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS

TABLE D-19

*FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS*

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
City Administration	3.00	3.00	3.00	3.00	3.00	4.00	3.00	3.00	3.50	2.00
Police	34.00	35.00	35.00	37.00	39.00	39.00	39.00	39.00	44.00	44.00
Animal Control	1.50	2.00	2.00	-	-	-	-	-	-	-
Lake Cities Fire Department	41.00	44.00	53.00	53.00	53.00	53.00	53.00	55.00	61.50	56.00
Streets	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Fleet Maintenance	2.00	-	-	-	-	-	-	-	-	-
Community Development	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Planning	5.00	5.00	6.00	6.00	6.00	5.00	4.00	5.00	5.00	5.50
Municipal Court	4.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00	4.00	4.00
City Marshal	-	-	-	-	-	1.00	1.50	1.00	1.00	1.00
Parks & Recreation	14.00	9.00	11.00	11.00	11.00	9.00	9.00	7.00	8.00	10.50
Finance	7.50	7.50	6.50	6.50	7.00	6.50	7.00	7.50	8.50	9.00
Human Resources	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Technology Services	5.00	5.00	5.00	5.00	5.00	5.00	9.00	9.00	5.00	5.00
Business Intelligence/GIS	-	-	-	-	-	-	-	-	3.00	3.00
Facilities Management	-	-	-	-	-	-	-	1.00	1.00	2.00
Communications	-	-	-	-	-	2.00	2.00	2.50	3.50	4.50
Community Events	-	-	-	-	-	-	-	-	2.00	2.00
Water/Wastewater Fund										
Utility Administration	-	-	-	-	-	-	-	2.00	2.00	2.00
Water/Wastewater	22.00	19.00	19.00	19.00	19.00	18.00	21.00	19.00	21.00	21.00
Engineering	-	4.00	4.00	4.00	4.00	4.50	5.50	5.50	5.00	5.00
Utility Billing	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	5.00
Storm Drainage Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00	5.00
Corinth Economic Development Corp.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Crime Control District Fund	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-
Child Safety Program Fund	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75
Hotel Motel Fund	-	-	-	-	0.50	0.50	0.50	-	-	-
Short Term Vehicle Rental Tax Fund	-	-	-	-	-	-	-	2.00	-	-
Court Security Fund	0.50	-	-	-	-	-	-	-	-	-
Total	163.00	162.00	174.00	174.00	178.00	178.00	185.25	190.25	206.75	207.25

Source: City of Corinth Adopted Budget

TABLE D-20

CITY OF CORINTH, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
New Single Family Home Building Permits	53	63	75	39	49	68	64	246	255	163
New Commercial Building Permits	7	13	4	9	2	4	2	-	5	4
Police										
Physical Arrests	426	513	458	290	427	366	467	281	242	325
Parking Violations	-	-	-	-	-	-	3	-	52	12
Traffic Violations	6,013	6,573	7,158	5,848	4,526	4,224	7,442	5,942	6,001	8,572
CSI Camps (hours)	-	-	-	-	-	-	-	80	80	80
CSI Participants	-	-	-	-	-	-	-	44	38	39
Fire										
Emergency Responses	3,475	3,237	3,246	3,546	3,467	4,060	4,201	4,260	4,176	4,118
Structure Fires Extinguished	37	26	34	43	46	29	37	41	31	20
Inspections	403	403	490	641	655	355	539	478	522	653
Other Public Works										
Street Resurfacing (miles)	<1	<1	<1	<1	<1	<1	<1	-	-	-
Square Yards of Street Repair	-	-	-	-	-	98.0	224.0	253.0	297.0	249.0
Potholes Repaired	126	96	226	200	96	139	48	38	24	36
Parks and Recreation										
Classes offered (hours) [1]	72	68	60	72	32	72	80	96	-	-
Participants [1]	320	224	208	315	120	80	280	224	-	-
Special events (hours)	3,530	3,378	3,773	3,197	107	24	40	-	-	-
Class Participants	3,375	3,209	3,315	3,040	122	60	44	-	-	-
Association Participants	26,766	21,012	-	-	-	-	-	-	-	-
Athletic League Participants	-	-	-	-	-	-	-	-	-	-
Recreation center Participants	-	-	-	-	-	-	-	-	-	-
Water										
New Connections	44	105	125	65	67	70	83	255	261	227
Water Main Breaks	6	5	7	5	6	10	6	35	17	9
Average Daily Consumption of gallons billed) (millions)	2.56	2.51	2.69	2.23	2.61	2.71	2.81	3.41	2.73	3.14
Peak Demand (millions of gallons pumped)	6.84	5.79	7.81	5.99	6.76	8.79	7.07	7.61	8.39	7.22
Wastewater										
New Connections	35	92	116	57	59	65	83	250	245	215
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District	1.40	1.24	1.27	1.35	1.45	1.36	1.36	1.41	1.64	2.90
City of Denton (estimate)	0.25	0.78	0.26	0.25	0.33	0.29	0.30	0.30	0.65	0.74

[1] In 2024, classes were no longer offered through parks.

Note:

The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection counts. Flows are based on estimates.

CITY OF CORINTH, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE D-21

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	16	16	16	18	20	22
Fire Stations										
	2	2	3	3	3	3	3	3	3	3
Other Public Works										
Streets (miles) [1]	88.99	92.37	92.43	92.66	93.20	93.70	92.90	93.48	93.60	96.36
Highways (miles) [2]	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
Traffic Signals	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Acreage [3]	184	184	184	184	184	184	184	184	159	159
Playgrounds	11	11	11	11	11	14	12	12	12	12
Baseball/Softball Fields	9	9	9	9	9	9	9	9	9	9
Soccer/Football Fields [4]	8	8	8	8	9	8	7	9	9	6
Recreation Centers [5]	1	1	-	-	-	-	-	-	-	-
Trails (miles)	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Water										
Connections	7,016	7,113	7,203	7,279	7,337	7,279	7,347	7,556	7,836	8,160
Water Mains (miles)	113.48	115.17	117.70	120.20	120.64	120.97	124.54	125.62	127.10	130.10
Fire Hydrants	855	883	896	927	939	961	1,003	1,020	1,037	1,093
Storage Capacity (millions of gallons)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.80
Subscribed Capacity, UTRWD (MGD)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.80
Wastewater										
Connections	6,736	6,818	6,903	6,979	7,098	7,163	7,297	7,357	7,488	7,859
Sanitary Sewers (miles)	98.99	102.19	102.34	103.17	103.77	105.10	107.46	107.21	107.90	108.38
Storm Sewers (miles)	40.59	41.49	41.66	42.70	43.30	44.65	46.67	47.10	47.79	48.08
Treatment Capacity, UTRWD (MGD) [6]	4.82	4.82	4.82	4.82	4.82	4.83	4.83	4.83	5.80	5.80

Note:

- [1] The reduction in streets is due to the elimination of unpaved streets from the database.
- [2] The increase in highways is due to the addition of the northbound and southbound roadways which is maintained by TxDOT.
- [3] The decrease in acreage in 2024 is due to a change of accounting. Acreage is based on GIS data which is more accurate.
- [4] There is a decrease in number we are counting large fields. You can have a large field and divide it up into smaller fields. Field acreage did not change.
- [5] The decrease is due to no longer using the Crownover Middle School Building for recreation activities.
- [6] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection counts; UTRWD uses a take-or-pay system of billing in which the member city (Corinth) purchases peak capacity. UTRWD data is corrected per original contracts.

Source: Various City of Corinth departments





CITY OF CORINTH
Staff Report

Meeting Date:	3/19/2026	Title:	Amendment Facility Improvements
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission		

Item/Caption

Consider and act on an Ordinance of the City of Corinth approving an amendment to the fiscal year 2025-2026 budget and annual program of services to allocate funds necessary for facility improvements; and providing an effective date.

Item Summary/Background/Prior Action

The City needs to relocate the Public Works facility and the Fire Training facility due to the pending sale of City-owned properties. To address these priorities, the budget currently includes \$1.5 million from the use of fund balance. However, a thorough review of the needs of both the Public Works and Fire Departments revealed that the existing budget is insufficient to cover the necessary relocation costs. Staff is therefore proposing a budget transfer of \$343,045, which includes a project shortfall of \$298,300 and a 15% contingency of \$44,745.

Financial Impact

The Annual Program of Services was adopted on September 18, 2025, Ordinance 25-09-18-43 by the City Council. The budget amendment proposes use of general fund balance in the amount of \$343,045.

Applicable Owner/Stakeholder Policy

Section 9.05 Supplemental Appropriations of the City Charter allows that “if during the fiscal year the City Manager certifies that there are revenues available in excess of those estimated in the budget or funds otherwise available in unencumbered reserves, the Council by ordinance may make supplemental appropriations for the year up to the amount of these available funds.”

Staff Recommendation/Motion

Staff recommends approval of the Ordinance amending the fiscal year 2025-2026 Annual Program for facility improvements in the amount of \$343,045.

ORDINANCE NO. 26-03-19-XX

AN ORDINANCE OF THE CITY OF CORINTH, TEXAS APPROVING AN AMENDMENT TO ORDINANCE NO. 25-09-18-43 REGARDING THE FISCAL YEAR 2025-2026 CITY OF CORINTH BUDGET AND ANNUAL PROGRAM OF SERVICES TO PROVIDE FOR FUNDS NECESSARY FOR FACILITY IMPROVEMENTS AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth is a home-rule municipality acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the local Government Code; and

WHEREAS, the City Council adopted a budget and appropriated resources for the budget year beginning October 1, 2025, and ending September 30, 2026 by Ordinance No. 25-09-18-43; and

WHEREAS, the current adopted budget for fiscal year 2025-2026 does not have adequate funding to pay \$343,045 for the expenditure of funds for facility; and

WHEREAS, the City Council deems it appropriate and necessary to amend the budget to reflect expenditures from the General Fund Balance of \$343,045 for funds for facility improvements; and

WHEREAS, the City Council finds that this budget amendment is consistent with § 9.05 of the City Charter and the proposed change in the budget is for a municipal purpose;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CORINTH HEREBY ORDAINS:

SECTION I

The findings set forth in the above preamble to this Ordinance are true and correct.

SECTION II

Ordinance No. 25-09-18-43 the budget for the fiscal year beginning October 1, 2025, and ending September 30, 2026, shall be amended as follows:

Three Hundred Forty Three Thousand and Forty Five Dollars (\$343,045) shall be appropriated into the Expenditures Line Items for the General fund Facilities budget.

The City of Corinth Budget and Annual Program of Services is hereby amended to increase the General Fund budget by \$343,045 for the facility improvements. Further, the City Council affirms its approval of the expenditure of funds for the aforementioned purposes.

SECTION III

The City Secretary is hereby directed to attach a copy of this Ordinance to Ordinance No. **25-09-18-43.**

SECTION IV

Pursuant to Section 102.009(d) of the Texas Local Government Code, the municipal budget officer is directed to file a true copy of this amendment with the Denton County Clerk. If the mayor objects to this ordinance, it shall be adopted by a majority of the entire City Council.

SECTION V

This Ordinance shall be in full force and effect after its passage, and it is so ordained.

PASSED AND APPROVED ON THIS THE 19TH DAY OF FEBRUARY 2026.

SEAL

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Patricia Adams, City Attorney



CITY OF CORINTH
Staff Report

Meeting Date:	3/19/2026	Title:	Contract Purchase of Modular Office Building
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission		

Item/Caption

Consider and act on Contract 2026-1023 with Palomar Modular Buildings, LLC, through The Interlocal Purchasing System (TIPS) Cooperative Contract #230902, for the purchase and installation of a 42' x 72' modular office building for Public Works staff in the amount not to exceed \$294,689 and authorize the City Manager to execute the necessary documents.

Item Summary/Background/Prior Action

The existing Public Works facility is scheduled to be sold in September to advance the City’s long-term downtown redevelopment vision. As part of the transition plan, Public Works operations will temporarily relocate to the Fire Station #2 training property until the Fire Department identifies a future location that enhances response times and operational efficiency.

To accommodate Public Works administrative and field staff at the interim site, staff recommend the purchase and installation of a 42' x 72' pre-engineered modular building that will provide office space, restroom facilities, and work areas necessary for continued operations.

The modular building solution aligns with the City’s long-term facilities strategy by:

- Providing immediate operational space upon sale of the current facility
- Avoiding costly permanent expansions to Fire Station #2
- Allowing flexibility should Public Works relocate again in the future
- Supporting departmental growth without overbuilding infrastructure at a temporary site

The proposed contract with Palomar Modular Buildings, LLC includes manufacture, delivery, setup, aluminum decking, ADA ramp, steps, and installation in accordance with the attached specifications. The procurement is through TIPS Cooperative Contract #230902, satisfying competitive purchasing requirements.

The contract term runs through December 31, 2026, and includes standard termination, insurance, and indemnification provisions. The project expects to start installation in June and be completed in August.

Financial Impact

The total contract amount is \$294,689, which includes the base modular building cost of \$261,964 and \$32,725 for aluminum decking, steps, and ADA-compliant ramp installation. The purchase will be funded through approved Public Works relocation and capital improvement funds, which were approved with the 2025-26 Budget.

The proposed modular building is constructed to meet International Building Code standards and is engineered for permanent installation. When properly maintained, modular commercial buildings of this type typically have a useful life expectancy of approximately 50 years, comparable to conventional site-built construction. This provides the City with long-term flexibility, as the structure may remain at the Fire Station #2 training property for extended use to meet growth.

By selecting a modular solution, the City avoids costly permanent expansion to Fire Station #2 while still investing in a durable facility that supports long-term operational growth.

Applicable Policy/Ordinance

N/A

Staff Recommendation/Motion

Staff recommends approval of Contract 2026-1023 with Palomar Modular Buildings, LLC, in the amount not to exceed \$294,689 for the purchase and installation of a modular office building for Public Works operations, and authorize the City Manager to execute the necessary documents.

SERVICE CONTRACT 2026-1023
PURCHASE AND INSTALLATION OF MODULAR OFFICE BUILDING FOR PUBLIC WORKS
THROUGH
THE INTERLOCAL PURCHASING SYSTEM (TIPS) CONTRACT #230902

This Contract is made and entered into this _____ by and between **Palomar Modular Buildings, LLC**, a Partnership Limited Liability Company organized under the laws of the State of Texas, (hereinafter called the “Contractor”) and the City of Corinth, Texas, a municipal corporation, organized and existing under laws of State of Texas, acting through its City Manager or other duly authorized designee, (hereinafter called the “City”).

For and in consideration of the covenants, performances, payments and agreements contained herein, and for the mutual benefits to be obtained hereby, the parties agree as follows:

1. TERM

The term of the contract shall begin _____, and shall expire on December 31, 2026, unless earlier terminated by either party in accordance with the terms of this contract.

2. SCOPE OF SERVICES

The Contractor agrees to provide all equipment, materials, supplies, labor, permits, insurance, and licenses as necessary to perform the supply and installation of a 42 foot by 72 foot pre-engineered modular building to be used as offices and restroom facilities by the Public Works Department in accordance with the provisions of this Contract and Attachments referenced below, which are incorporated herein.

This Contract is composed of the following Contract Documents:

- a) This Contract
- b) Specifications and Scope of Services – Attachment A
- c) The City’s Standard Terms & Conditions for Procurements, and Vendor Insurance Requirements– Attachment B
- d) Vendor Quotes with Cooperative pricing and Contract number including Form 1295 electronically filed and signed (**IF COUNCIL APPROVAL REQUIRED**) - Attachment C
- e) Vendor’s Cooperative Contract Documentation with The Interlocal Purchasing System (TIPS) Contract #230902 – Attachment D

Any conflict in the foregoing documents shall be resolved by giving precedence first to this written Contract, and then to the Contract Documents in the sequential order listed above.

3. PAYMENT

Upon Contractor's satisfactory completion of the requirements of this Contract, as determined by the City, and receipt and approval of Contractor's invoices, submitted to Accounts Payable, City will pay Contractor in accordance with the Scope of Work and this Contract. Contractor's periodic and final invoices shall be accompanied by sufficient backup information as required by City. **The total payments by City during the term of this Contract shall not exceed Two hundred ninety-four thousand six hundred eighty-nine and No/100 Dollars (\$294,689.00), subject to annual appropriations.** City does not guarantee any minimum or maximum quantity of work, and Contractor shall have no claim to damages in the event the quantities purchased are less than the estimated quantities of identified in the Scope of Work.

Invoices shall be mailed or emailed directly to:

City of Corinth
 Accounts Payable
 3300 Corinth Parkway
 Corinth, Texas 76208
accountspayable@cityofcorinth.com

The City shall pay invoices for services properly performed within 30 days of receipt; provided however, that in the event the City requests any supporting documentation for charges, payment shall be made within 30 days of receipt of the documentation. The City's payment obligations are payable only and solely from funds available for the purposes of this Contract. The City does not pay travel expenses.

4. CHANGES

The City may, from time to time, require changes in the Scope of Work to be performed by Contractor hereunder. Such changes, which are mutually agreed upon by and between the City and the Contractor, become effective when incorporated in a written amendment to this Contract executed by both parties.

5. TERMINATION OF CONTRACT

The City may terminate this Contract for any reason upon 10 days' notice to Contractor. Upon termination, the Contractor shall be entitled to payment of such amount as shall compensate Contractor for the services satisfactorily performed from the time of the last payment date to the termination date in accordance with this Contract, provided the Contractor shall have delivered to the City such statements, accounts, reports and other materials as required herein, and provided that Contractor shall have delivered to the City all reports, documents and other materials prepared by Contractor prior to termination. The City shall not be required to reimburse Contractor for any services performed or expenses incurred after the date of the termination notice.

6. COMPLETENESS OF CONTRACT

This contract and any additional or supplementary document or documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Contract or any part thereof shall have any validity or bind any of the parties hereto.

7. INDEMNITY AND INSURANCE

- a) The Contractor hereby agrees to and shall indemnify, hold harmless, and defend the City, its officers, agents and employees from and against any and all claims, losses, damages, demands, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorneys' fees, for injury to or death of any person, for loss of use or revenue, or for damage to any property arising out of or in connection with the actual or alleged malfunction, design or workmanship in the manufacture of equipment, the services, equipment, and materials utilized and provided for the fulfillment of this Contract, or the breach of any express or implied warranties under this Contract. Such indemnity shall apply where the claims, losses, damages, causes of action, suits or liability arise in part from (i) the negligence of the Contractor, and/or their respective officers, agents and/or employees or (ii) the negligence of the Contractor, its officers, agents and employees. It is the expressed intention of the parties hereto, both Contractor and the City, that the indemnity provided for in this paragraph is indemnity by Contractor to indemnify and protect the City from the consequence of (I) the Contractor's own negligence where that negligence is the cause of the injury, death, or damage to property. In the event any action or proceeding is brought against the City by reason of any of the above, the Contractor agrees and covenants to defend the action or proceeding by counsel acceptable to the City. The indemnity provided for herein shall survive the termination or expiration of this Contract.
- b) Contractor shall maintain and shall be caused to be in force at all times during the term of this Contract the insurance coverages required by the attached City's Vendor Insurance Requirements.
- c) This Contract is not intended to extend the liability of the parties beyond that provided by law. The City does not waive, limit, or surrender any immunity or defense available to the City.

8. ASSIGNMENT

The parties hereby agree that Contractor may not assign, convey or transfer its interest, rights and duties in this Agreement without the prior written consent of the City.

9. NOTICES

Any notices required by this Contract shall be sufficient if sent by the parties in the United States mail, postage paid, return receipt requested or via overnight delivery service, to the address noted below and shall be effective upon receipt:

Scott Campbell
City Manager
City of Corinth
3300 Corinth Parkway
Corinth, TX 76208

John Martin
President
Palomar Modular Buildings, LLC
505 North I-35 East
DeSoto, TX 75115-4803

Either party may change its address by giving written notice to become effective upon five days' notice.

10. MISCELLANEOUS

- a) This Contract shall be governed by the laws of the State of Texas and exclusive venue for any action relating to this Contract shall be filed in district court in Denton County, Texas.
- b) Contractor is an independent contractor and not an employee of the city.
- c) In rendering services under this Contract, Contractor shall comply with all applicable federal, state and local laws, rules and regulations, including those pertaining to equal employment opportunity and shall not discriminate based on age, ancestry, color, gender, marital status, medical condition, national origin, physical or mental disability, race, religion or sexual orientation.
- d) This Contract may be amended or supplemented only by the mutual written consent of the parties' authorized representatives.
- e) No provision of this Contract may be waived unless in writing and signed by both of the parties hereto. Waiver of a breach of any provision of this Contract shall not operate or be construed as a waiver of any subsequent breach of such provision nor shall a waiver of any one provision of this Contract be deemed to be a waiver of any other provision.
- f) The Section headings in this Contract are inserted only as a matter of convenience, and in no way define, limit, or extend or interpret the scope of this Contract or of any particular Section.
- g) Nothing in this Contract shall be construed to create any right in any third party not a signatory to this Contract, and the parties do not intend to create any third-party beneficiaries by entering into this Contract.
- h) The language of all parts of this Contract shall be construed as a whole according to its fair meaning, and the presumption or principle that the language herein is to be construed against either party shall not apply.

IN WITNESS WHEREOF, the City and the Contractor have executed this Contract as of the date first written above.

CITY OF CORINTH

PALOMAR MODULAR BUILDINGS, LLC

Scott Campbell, City Manager

John Martin, President

ATTEST:

Lana Wylie, City Secretary

Attachment A – Scope of Services and Specifications

Contractor shall manufacture, deliver, and set up a 42'x72' (nominal dimensions) modular building with aluminum decks, steps and ADA compliant ramp at 2700 W Shady Shores Rd, Corinth TX 76208.

The **specifications** for the building are outlined below.

FLOORS

FRAME TYPE	OUTRIGGER DESIGNED TO MEET DESIGN CRITERIA
RUNNING GEAR	TIRES, AXLES RETURNED AND HITCHES REMOVED AND STORED UNDER UNIT, IF BUILDING IS SET LOWER THAT 34" AFG HITCH TO BE LEFT OUTSIDE BUILDING LINE.
WOOD JOISTS	2X10 SYP @ 16 OC
INSULATION	R-30 FIBERGLASS UNFACED FIBERGLASS BATT
DECKING	¾" STURI-FLOOR T&G
MOISTURE PROTECTION	BOTTOM BOARD" WOVEN, REINFORCED POLY FLOOR COVERING 12 IN COMMERCIAL VINYL TILE, COVE BASE 4 IN VINYL

EXTERIOR WALLS

WOOD STUDS	2X4 @16 O.C. WITH DOUBLE TOP AND SINGLE BOTTOM PLATES
INSULATION	R-11 UNFACED
EXTERIOR SHEATHING	7/16" OSB
MOISTURE CONTROL	BUILDING WRAP
EXTERIOR SIDING	29 GA STEEL PRE-FINISHED, PANEL LOC +
VCG WALL FINISH	5/8" VINYL COVERED GYP (VENETIAN FROST)

INTERIOR WALLS

WOOD STUDS	2X4 @16 O.C. WITH DOUBLE TOP AND SINGLE BOTTOM PLATES
INSULATION	R-11 UNFACED
VCG WALL FINISH	5/8" VINYL COVERED GYP (VENETIAN FROST)
CLASS "C" FRP	FULL HEIGHT LOCATION RESTROOMS

ROOF

TYPE	WOOD WITH LAMINATED PLYWOOD MATE BEAMS
STD. WOOD RAFTERS	2 X 10 AT 24 O.C.
INSULATION	R-30 UNFACED
DECKING	5/8" OSB PLUS FR ADHESIVE FOR CLASS C ROOF
EPDM ROOF COVERING	45 MIL MEMBRANE
CEILING	2X4 SUSPENDED CEILING, USG RADAR TILE, 15/16 GRID

DOORS

EXTERIOR STEEL DOORS OGA FRAME, INSULATED	(2) 3-0/6-8 STEEL DOOR, KNOCK DOWN FRAME, CLOSER, PAINTED 18GA DOOR ,1
INTERIOR DOORS	(18) 3-0 / 6-8 PRE FINISHED SOLID CORE WOOD DOOR / 18GA "TIMELY" KNOCK DOWN STEEL FRAME
DOOR GLAZING	(2) DOOR GLASS: 6X27" (EXT)
EXT DOOR HARDWARE	(2) PMB STANDARD LEVER/PANIC GRADE
INT DOOR HARDWARE	(2) LEVER-PRIVACY: GRADE 2, PMB STANDARD
INT DOOR HARDWARE	(16) LEVER-LOCKSET GRADE 2 PMB STANDARD
DOOR STOPS	FLOOR MOUNTED

WINDOWS

EXTERIOR WINDOWS	~ (15) 3-0/4-0 DUAL PANE, LOWE, CLEAR GLAZING, SINGLE HUNG VINYL FRAME (SERIES 200)
BLINDS	(15 EA.) 1" METAL MINI BLINDS

ELECTRICAL

CONDUIT	NON-METALIC TUBING (ENT)
RECEPTACLES	DUPLEX RECEPTICLES, 20 AMP, UNBREAKABLE COVERS
GFI RECEPT.	(4) EA 20 AMP
EXTERIOR RECEPTACLE	(3) EA, CONVENIENCE DUPLEX WITH COVER
DEDICATED RECEPTACLES	20A WITH RECEPTACLE. (COPIERS, REFRIGERATOR, ETC.)
DEDICATED RECEPTACLES	20A – 30A CONNECTION (30 GAL OR SMALLER WATER HEATER
DEDICATED RECEPTACLES	WATER HEATER DISCONNECT

PANELS	(2) 100A-200A, 10KAIC, 1P, CLIP ON BREAKERS
ROOM LIGHTING	2X4 LED FIXTURES
EMERGENCY LIGHTS	(3) EMERGENCY – 2 BULB LED WITH REMOTE HEAD
EXIT LIGHTS	(4) EXIT LIGHTS,LED W/BATTERY BACKUP
EXTERIOR LIGHTS	(2) EXTERIOR PORCH, LED AT EACH EXIT
OCC. SENSOR, SINGLE	(20) EACH WALL MOUNTED PER CODE
EMPTY BOX & CONDUITS	(56) STUBBED TO CEILING, 3/4"

PLUMBING

SUPPLY PIPING	CPVC
WASTE PIPING	PVC/ SCH 40 DWV
TOILETS	(2) TOILET, HC, FLOOR MOUNTED, TANK TYPE
LAVYS	(2) LAVY, WALL MOUNT W/SINGLE LEVER FAUCET/TV
SINKS	(1) SINK - SINGLE BOWL STAINLESS STEEL, W/SINGLE LEVER FAUCET/ TV
WATER HEATERS	(2) EA TANKLESS: STD ELEC, (2 LAVY MAX)
ACCESSORIES	(2) EA 18" x 36" SS FRAMED MIRRORS
ACCESSORIES	(2) EA SETHC GRAB BARS FOR HC TOILET
ACCESSORIES	(2) EA TOILET PAPER HOLDER - SINGLE SURFACE MOUNTED

HVAC

STD. UNITS	WALL MOUNTED PACKAGED HVAC WITH ELECTRIC HEAT STRIP, 1 PHASE , SIZED PER DESIGN REQUIRMENTS
SUPPLY AIR	DUCTED
DUCTING	FLEX DUCT
RETURN AIR	DUCTED
THERMOSTATS	7-DAY PROGRAM ABLE WITH OCCUPANT OVERRIDE
DIFFUSERS	ADJUSTABLE DIFFUSERS
FILTER	AT UNIT
EXHAUST FANS	(2) 80 CFM EXHAUST FAN/LIGHT COMBO

MILLWORK AND BLOCKING

CABINETS

BASE & OVERHEAD CABINETS, INC. PLAM COUNTER TOPS

SHIP LOOSE

CLOSE UP

CLOSE-UP PLASTIC FOR SKIRTING OR BELLY BAND

SKIRT FRAMING

PRESSURE TREATED WOOD FRAMING (36" HT)

SKIRTING

29 GA METAL

SETUP

ANCHORS, AUGER, STRAPS, CLIPS

SET UP

2" X 8" PT SHIMS & OAK WEDGES

SITE WORK

DELIVERY, SET, AND INSTALL SKIRT, ALUMINUM DECKING, STEPS, AND RAMP.

SCOPE OF SERVICES

CONTRACTOR SHALL MANUFACTURE ALL MODULES IN ACCORDANCE WITH STATE AND CITY APPROVED DRAWINGS.

CONTRACTOR SHALL SHIP AND SET ALL MODULAR BUILDINGS IN ACCORDANCE WITH A MUTUALLY AGREED SITE PLAN.

CONTRACTOR SHALL MAKE FINAL MODULAR MATE LINE STRUCTURAL CONNECTIONS AND FINISHES INCLUDING ELECTRICAL AND HVAC CROSSOVERS PROVIDED BY CONTRACTOR AT THE DESIGNATED SITE.

CONTRACTOR SHALL PROVIDE AND INSTALL PRESSURE TREATED WOOD FRAMING WITH SIDING TO MATCH EXTERIOR OF BUILDING INCLUDING VENTILATION & SKIRT PANEL ACCESS.

THE ROOF SLOPE SHALL ACCOMMODATE MODULAR CONSTRUCTION METHODS.

CITY SHALL PROVIDE APPROPRIATE AND CURRENT GEOTECHNICAL INFORMATION AS REQUIRED FOR FOUNDATION LAYOUT.

CONTRACTOR SHALL PROVIDE STANDARD MODULAR STATE APPROVALS AND ENGINEERING (IF REQUIRED BY THE STATE OF TEXAS).

CONTRACTOR SHALL PROVIDE STANDARD GENERAL LIABILITY UNTIL WORK IS COMPLETE.

CONTRACTOR SHALL PROVIDE STANDARD WARRANTY INFORMATION PROVIDED AT THE COMPLETION OF THE PROJECT.

CONTRACTOR SHALL PROVIDE STANDARD TECHNICAL INPUT (SUBMITTAL PACKAGE) PROVIDED FOR REVIEW AND APPROVAL BY THE CITY.

**Attachment B - City's Standard Terms & Conditions for
Procurements and Vendor Insurance Requirements**

Attachment B

STANDARD TERMS AND CONDITIONS

The terms and conditions set forth in this request for proposal shall be incorporated into and be a part of any proposal submitted to the City of Corinth for the goods and/or services specified. No other terms and conditions shall apply unless approved in writing by the City of Corinth, Texas.

1. **ADDENDA:** Any interpretations, corrections or changes to the information or specifications will be made by addenda. Sole issuing authority of addenda shall be vest in the City of Corinth Purchasing Agent. Addenda will be posted at <https://cityofcorinth.bonfirehub.com>. It is the responsibility of the Respondent to check the Bonfire website for addenda. Respondents shall acknowledge receipt of all addenda by submitting a signed copy with their bid/proposal.
2. **ADVERTISING:** The successful Respondent shall not advertise or publish, without the City's prior approval, the fact that the City has entered into a contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the Federal, State, or local government.
3. **ALTERING BID/PROPOSAL PRICING:** Prices offered shall be submitted for units of quantity as specified in the bid/proposal document, extended and totaled. In the case of a discrepancy in the extended price, the unit price shall govern and control. Any alteration, strike-through or erasure made prior to bid/proposal opening shall be initialed by the signer of the bid/proposal, guaranteeing authenticity.

FOR BIDS ONLY: Prices offered **cannot** be altered or amended after the submission deadline. Bids may not be changed for the purpose of correcting an error in bid price after bid opening.

4. **ASSIGNMENT:** The successful respondent shall not sell, assign, transfer or convey the awarded contract, in whole or in part, without the prior written consent of the City.
5. **AWARD:** The City reserves the right to award by line item, section, or by entire bid/proposal; whichever is most advantageous to the City. The City may also consider administration costs when awarding to multiple vendors.

The City may award bids/proposals to the lowest responsive responsible vendor(s), or to the vendor(s) who provides goods or services at the best value to the City. If using the best value method, the selection criteria will be clearly identified in the bid/proposal document. The best value method may take into consideration, in whole or in part, by way of illustration and not limitation, the following criteria:

- A. The reputation of the respondent and of the respondent's goods or services;
 - B. The quality of the respondent's goods or services;
 - C. The extent to which the goods or services meet the City's needs;
 - D. The respondent's past relationship with the City;
 - E. The total long-term cost to the City to acquire the respondent's goods or services;
 - F. Any relevant criteria specifically listed herein.
6. **BID/PROPOSAL SUBMITTAL:** The City utilizes Bonfire to advertise and receive bids/proposals electronically. Bids will be received electronically through Bonfire as specified in the bid/proposal packet.. Electronic submittals must be submitted through the Bonfire portal at <https://cityofcorinth.bonfirehub.com>; and must include all required information and attachments; with required signatures. All response documents must be uploaded and included with your submittal in order to be considered.
 7. **BRAND NAME, CATALOG OR MANUFACTURER'S REFERENCE:** Any reference to brand name, catalog or manufacturer's reference is used to be descriptive, not restrictive, and is indicative of the type and quality the City desires to purchase. Bids/proposals on similar items of like quality may be considered if the bid/proposal is noted and fully descriptive brochures are enclosed. If notation of substitution is not made, it is assumed the respondent is proposing exact item specified. Successful respondent will not be allowed to make unauthorized substitutions after award.
 8. **CHANGE ORDERS:** No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. The City of Corinth's Purchasing Agent will make all change orders to the contract in writing as allowed by law.
 9. **COMMUNICATION:** The successful respondent shall direct all contact with the City through the Contract Administrator identified in the Contract. The Respondent will not directly respond to, make inquiries of, survey or solicit information from, or otherwise interact with any departments, divisions, employees, or agents of the City unless specifically approved, or requested by the Contract Administrator.
 10. **COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATION:** Pursuant to Texas Government Code Chapter 2252, Subchapter F, Seller affirms that it is not identified on a list created by the Texas Comptroller of Public Accounts as a company known to have contracts with or provide supplies or services to a foreign terrorist organization.
 11. **CONFLICT OF INTEREST:** In compliance with Local Government Code §176.006, all vendors shall file a completed Conflict of Interest Questionnaire with the City's Purchasing Office.
 12. **CONTRACT ADMINISTRATOR:** Under the contract, the City may appoint a contract administrator with designated responsibility to ensure compliance with contract requirements, such as but not limited to, acceptance, inspection and delivery. If appointed, the administrator will serve as liaison between the City and the successful contractor.

13. CONTRACT ENFORCEMENT:

- A. The City reserves the right to enforce the performance of any contract that results from an award of this bid/proposal packet. Enforcement shall be in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of the contract. Breach of contract authorizes the City to make an award to another respondent, purchase the service elsewhere and to charge the full increase in cost and handling to the defaulting contractor. Additionally, the City will remove the defaulting contractor from the City's list of approved vendors for a period of two years.
- B. Respondents who submit proposals for this service agree that the City shall not be liable to prosecution for damages in the event that the City declares the successful contractor in default.
- C. Any notice provided by this bid/proposal packet (or required by law) to be given to the successful Respondent by the City shall be conclusively deemed to have been given and received on the next day after such written notice has been deposited in the mail at the City of Corinth, by Registered or Certified mail with sufficient postage affixed thereto, addressed to the successful Respondent at the address provided in the bid/proposal; this shall not prevent the giving of actual notice in any other manner.
- D. The successful Respondent and the City agree that both parties have all rights, duties and remedies available as stated in the Uniform Commercial Code (UCC). In case of a conflict between the terms of this bid/proposal packet and the UCC, the bid/proposal packet will control.

14. DELIVERY:

- A. Delivery date is important to the City and may be required to be a part of each bid/proposal. The City considers delivery time to be that period elapsing from the time the individual order is placed until that order is received by the City at the specified delivery location. The delivery date indicates a guaranteed delivery to the City of Corinth. Failure of the respondent to meet guaranteed delivery dates or service performance could affect future City orders.
- B. The City may reject and refuse any delivery, which falls below the quality designated in the specifications. The cost of return and/or replacement will be at the Respondent's expense.
- C. The City reserves the right to demand bond or penalty to guarantee delivery by the date indicated. If order is given and the Respondent fails to furnish the materials by the guaranteed date, the City reserves the right to cancel the order without liability on its part. Pricing shall include all charges for freight, F.O.B. inside to specified delivery location.
- D. Whenever the Contractor encounters any difficulty which is delaying or threatens to delay timely performance (including actual or potential labor disputes), the Contractor shall immediately give notice thereof in writing to the Purchasing Agent, stating all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery or performance schedule or be construed as a waiver by the City of any rights or remedies to which it is entitled by law or pursuant to provisions herein. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery or performance schedule because of such delivery.

15. ETHICS: The Respondent shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, official, or agent of the City except in accordance with City Policy.

16. EXCEPTIONS/SUBSTITUTIONS: All proposals meeting the intent of this bid/proposal packet will be considered for award. Respondents taking exception to the instructions, specifications, terms and conditions or offering substitutions, shall state these exceptions in the section provided or by attachment as part of their bid/proposal. The absence of such a list shall indicate that the Respondent has not taken exceptions and shall hold the Respondent responsible to perform in strict accordance with the instructions, specifications, terms and conditions of the bid/proposal packet. The City of Corinth reserves the right to accept any and all or none of the exception(s)/substitution(s) deemed to be in the best interest of the City.

17. FELONY CRIMINAL CONVICTIONS: The Respondent represents and warrants that neither the Respondent nor the Respondent's employees have been convicted of a felony criminal offense, or under investigation of such charge, or that, if such a conviction has occurred, the Respondent has fully advised the City as to the facts and circumstances surrounding the conviction.

18. FORCE MAJEURE: *Force majeure* is defined as an act of God, war, strike, fire or explosion. Neither the successful Respondent nor the City is liable for delays or failures of performance due to *force majeure*. Each party must inform the other in writing with proof of receipt within three (3) business days of the occurrence of an event of *force majeure*.

19. INDEMNITY AGREEMENT: The Contractor hereby agrees to and shall indemnify, hold harmless, and defend the City, its officers, agents and employees from and against any and all claims, losses, damages, demands, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorneys' fees, for injury to or death of any person, for loss of use or revenue, or for damage to any property arising out of or in connection with the actual or alleged malfunction, design or workmanship in the manufacture of equipment, the fulfillment of this Contract, or the breach of any express or implied warranties under this Contract. Such indemnity shall apply where the claims, losses, damages, causes of action, suits or liability arise in part from (i) the negligence of the Contractor, and/or their respective officers, agents and/or employees or (ii) the negligence of the Contractor, its officers, agents and employees. It is the expressed intention of the parties hereto, both Contractor and the City, that the indemnity provided for in this paragraph is indemnity by Contractor to indemnify and protect the City from the consequence of (I) the Contractor's own negligence where that negligence is the cause of the injury, death, or damage. Furthermore, the indemnity provided for in this paragraph shall have no application to any claim, loss, damage, cause of action, suit and liability where in injury, death or damage results from the negligence of the City. In the event any action or proceeding is brought against the City by reason of any of the above, the Contractor agrees and covenants to defend the action or proceeding by counsel acceptable to the City. The indemnity provided for herein shall survive the termination or expiration of this Contract.

- 20. INVOICES:** Each invoice shall be fully documented as to the Contractor's/vendor's name and address, receiving department's name and address, labor, materials and equipment provided, if applicable, and must reference the City of Corinth purchase order number in order to be processed. No payments shall be made on invoices not listing a purchase order number. Invoices shall be mailed directly to the City of Corinth, Attention: Accounts Payable, 3300 Corinth Pkwy., Corinth, Texas, 76208.
- 21. LATE SUBMITTALS:** The City will reject late bids/proposals. The City is not responsible for lateness or non-delivery of mail, carrier, etc. and the date/time stamp in the Purchasing Office shall be the official time of receipt. The Respondent is responsible for ensuring that packets are delivered to the Purchasing Office. Respondents may confirm receipt of packets by contacting Cindy Troyer, Purchasing Agent at 940-498-3286.
- 22. MINIMUM STANDARDS FOR RESPONSIBILITY:** A prospective vendor must affirmatively demonstrate responsibility. The City may request representation and other information sufficient to determine respondent's ability to meet the minimum standards including but not limited to:
- A. Have adequate financial resources or the ability to obtain such resources.
 - B. Ability to comply with the required or proposed delivery schedule.
 - C. Have a satisfactory record of performance.
 - D. Have a satisfactory record of integrity and ethics.
 - E. Be otherwise qualified and eligible to receive an award.
- 23. NO BOYCOTT OF ISRAEL:** Pursuant to Texas Government Code Chapter 2270, the successful Respondent agrees that acceptance of these Terms & Conditions serves as written verification that Contractor: (i) either meets an exemption criteria under Section 2270.002; or it (1) does not boycott Israel, as defined by Texas Government Code Section 808.001; and (2) will not boycott Israel during the term of the contract. This requirement does not apply to sole proprietorships, companies with fewer than ten employees; or contracts that are less than \$100,000.00.
- 24. NO BOYCOTT OF ENERGY COMPANIES:** Pursuant to Texas Government Code Chapter 2274, the successful Respondent verifies that it does not boycott energy companies and will not boycott energy companies during the term of this contract. This requirement does not apply to companies with fewer than ten full time employees; or contracts that are less than \$100,000.00.
- 25. NON-APPROPRIATION CLAUSE:** If the governing body of the City fails to specifically appropriate sufficient funds to make the payments due in any Fiscal Year under this Contract, an event of non-appropriation ("Event of Non-appropriation") will have occurred, the terms of this Contract will not be renewed, and Contractor or City may terminate this Contract at the end of the then current Fiscal Year, whereupon City will be obligated to pay those amounts then due subject to the provisions herein. Nothing in this Section or elsewhere in this Contract will be deemed in any way to obligate the City or create a debt of City beyond its current Fiscal Year. CONTRACTOR HAS NO RIGHT TO COMPEL CITY TO LEVY OR COLLECT TAXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR OF CITY.
- 26. NONDISCRIMINATION AGAINST FIREARM AND AMMUNITION INDUSTRIES:** Pursuant to Texas Government Code Chapter 2274, the successful Respondent verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this contract against a firearm entity or firearm trade association. This requirement does not apply to companies with fewer than ten full time employees; or contracts that are less than \$100,000.00.
- 27. PATENTS/COPYRIGHTS:** The successful Respondent agrees to protect the City from claims involving infringements of patents and/or copyrights.
- 28. PAYMENT:** Will be made upon receipt and acceptance by the City for item(s) and/or service(s) ordered and delivered after receipt of a valid invoice, in accordance with the State of Texas Prompt Payment Act, Chapter 2251, Government Code.
- 29. PRICES HELD FIRM:**
- A. All prices quoted in the proposals will remain firm for a minimum of 90 days from the date of the proposal unless it is otherwise specified by the City of Corinth.
 - B. If during the life of the contract, the successful Respondent's net prices to other customers for the items awarded herein are reduced below the contracted price, it is understood and agreed that the benefits of such reduction shall be extended to the City.
- 30. PURCHASE ORDER:** The City shall generate a purchase order(s) to the successful Respondent. The purchase order number must appear on all itemized invoices.
- 31. QUANTITIES:** Quantities indicated on the Bid/Proposal Form are estimates based upon the best available information. The City reserves the right to increase or decrease quantities to meet its actual needs without any adjustments in bid/proposal price. Individual purchase orders will be issued on an as-needed basis.
- 32. REFERENCES:** The City requests each Respondent to supply, with its bid/proposal, a list of at least three (3) references where their firm supplied like services within the last three to five years. It is preferred that the list identify municipalities that are customers of Respondent. For each reference, include the name of firm, address, contact employee of firm, with telephone number and e-mail address, what services are provided to this reference, and how long your firm has provided this service to the reference entity.

- 33. RELEASE OF INFORMATION AND PUBLIC INSPECTION:** After sealed bids have been opened, bids are open for public viewing upon request. If the bid contains trade secrets or confidential information, the Respondent must specifically list that portion as confidential. All other parts of the bid are open for public viewing upon request.

For processes other than low bid or best value bid, only the names of respondents will be read aloud at the scheduled opening. Pricing information will not be released until after award of the contract.

- 34. REQUIRED DOCUMENTATION:** In response to this bid/proposal packet, all required documentation must be provided.
- 35. SALES TAX:** The City is exempt by law from payment of Texas Sales Tax and Federal Excise Tax. Our taxpayer identification number is 75-1453222.
- 36. SEVERABILITY:** If any section, subsection, paragraph, sentence, clause, phrase or word of these instructions, specifications, terms and conditions, shall be held invalid, such holding shall not affect the remaining portions of these instructions, specifications, terms and conditions and it is hereby declared that such remaining portions would have been included in these instructions, specifications, terms and conditions as though the invalid portion had been omitted.
- 37. SILENCE OF SPECIFICATIONS:** The apparent silence of specifications as to any detail or to the apparent omission from it of a detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of the specifications shall be made based on this statement.
- 38. SUBCONTRACTORS:** The Contractor shall be the sole source of contact for the Contract. The City will not subcontract any work under the contract to any other firm and will not deal with any subcontractors. The Contractor is totally responsible for all actions and work performed by its subcontractors. All terms, conditions and requirements of the Contract shall apply without qualification to any services performed or goods provided by any subcontractor.
- 39. TAX/DEBT ARREARAGE:** The City shall pay no money upon any claim, debt, demand, or account whatsoever, to any person, firm or corporation, who is in arrears to the City for taxes or otherwise; and, the City shall be entitled to a counter-claim and offset against any such debt, claim, demand, or account, in the amount of taxes or other debt in arrears, and no assignment or transfer of such debts are due, shall affect the right, authority, and power of the City to offset the taxes or other debts against the same.
- 40. TERMINATION FOR DEFAULT:** The City reserves the right to enforce the performance of the contract in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of the contract. The City reserves the right to terminate the contract in the manner set forth in the attached Contract.

As soon as practicable after receipt of notice of termination, the Company shall submit a statement showing in detail the pro-rated payment, in a form satisfactory to the City, that reflects the appropriate charges. The City shall then pay the charges as required by law.

- 41. TERMINATION OF CONTRACT:** The contract shall remain in effect until contract expires, delivery and acceptance of products and/or performance of services ordered or terminated by either party with a ten (10) day written notice prior to any cancellation. The successful Respondent must state therein the reasons for such cancellation. The City may, by written notice to the selected company, cancel this contract immediately without liability to the selected company if it is determined by the City that gratuities or bribes in the form of entertainment, gifts, or otherwise contrary to City Policy, were offered or given by the successful proposing party, or its agent or representative to any City officer, employee or elected representative with respect to the performance of the contract.
- 42. TRAVEL AND DIRECT CHARGES:** The City shall not compensate the Respondent for any travel costs incurred in delivery of services under the contract.
- 43. VENUE:** Respondent shall comply with all Federal and State laws and City Ordinances and Codes applicable to the Respondent's operation under this contract. The resulting specifications and the contract herefrom shall be fully governed by the laws of the State of Texas, and shall be fully performable in Denton County, Texas, where venue for any proceeding arising hereunder will lie.
- 44. WITHDRAWAL OF PROPOSAL:** A proposal may be withdrawn any time prior to the official opening, as long as the request is received in writing from an authorized representative.

CITY OF CORINTH

GENERAL, PROFESSIONAL, AND CONSTRUCTION SERVICES

INSURANCE REQUIREMENTS

1.0 DEFINITION

Vendors/Contractors shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the vendor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be borne by the vendor. A certificate of insurance meeting all requirements and provisions shall be provided to the City prior to any services being performed or rendered. Renewal certificates shall also be supplied upon expiration.

A. Minimum Scope of Insurance: Coverage shall be at least as broad as:

1. ISO Form Number GL 00 01 (or similar form) covering Commercial General Liability. "Occurrence" form only, "claims made" forms are unacceptable. Policy must include coverage for:
 - a. Premises/Operations
 - b. Broad Form Contractual Liability
 - c. Products and Completed Operations
 - d. Personal Injury
 - e. Broad Form Property Damage
2. Workers Compensation insurance as required by the Labor Code of the State of Texas, including Employers' Liability Insurance.
3. Automobile Liability as required by the State of Texas, covering all owned, hired, or non-owned vehicles. Automobile Liability is only required if vehicle(s) will be used under the contract.
4. Professional Liability, also known as Errors and Omissions Coverage. Professional Liability is only required for Professional Services contracts.

B. Deductibles and Self-Insured Retentions: Any deductible or self-insured retention in excess of \$10,000 must be declared to and approved by the City.**C. Other Insurance Provisions:** The policies are to contain, or be endorsed to contain the following provisions.1. General Liability and Automobile Liability Coverage:

- a. The City, its officers, officials, employees, boards and commissions and volunteers are to be added as "Additional Insured's" relative to liability arising out of activities performed by or on behalf of the vendor/contractor, products and completed operations of the vendor, premises owned, occupied or used by the vendor/contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.
- b. The vendor/contractor insurance coverage shall be primary insurance in respects to the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the

City, its officers, officials, employees or volunteers shall be in excess of the vendor's insurance and shall not contribute with it.

- c. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the City, its officers, officials, employees, boards, and commissions or volunteers.
 - d. The vendor/contractor insurance shall apply separately to each insured against whom the claim is made or suit is brought, except to the limits of the insured's limit of liability.
2. Workers Compensation and Employer's Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the vendor for the City.
 3. All Coverage: Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given the City.
- D. **Acceptability of Insurers**: The City prefers that insurance be placed with insurers with an A.M. Best's rating of no less than A-VI, or better.
 - E. **Verification of Coverage**: Vendor/Contractor shall provide the City certificates of insurance indicating the coverage required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance similar to the ACORD Form are acceptable. City will not accept Memorandums of Insurance or Binders as proof of insurance. The City reserves the right to require complete, certified copies of all required insurance policies at any time.
 - F. **Insurance Waiver Request**. Vendors/contractors requesting a waiver of the minimum limits of insurance identified in section 1.1.B, 1.2.B, or 1.3 B must submit the request in writing. Please note, commercial general liability cannot be waived. Requests to waive other coverage requirements will be considered in the bid evaluation process. The vendor/contractor must also complete, sign, and return the Release Agreement form to the Purchasing Office prior to authorization to perform services for the City.

1.1 GENERAL SERVICES REQUIREMENTS

- A. **Definition**: General Services are defined as services performed on City property, including but not limited to: Installation, Landscape, Maintenance, Custodial, Electrical, Painting, Welding, Plumbing, Transportation, Street Sweeping, Fireworks, Moving, Concessions, etc.
- B. **Minimum Limits of Insurance**:
 1. Commercial General Liability: \$500,000 per occurrence / \$2,000,000 in the aggregate for third party bodily injury, personal injury and property damage. Policy must include coverage listed in Section 1.A.1.
 2. Workers Compensation and Employer's Liability: Workers Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 each accident, \$300,000 Disease - Policy Limit, and \$100,000 Disease – Each Employee.
 3. Automobile Liability: \$500,000 Combined Single Limit. Limits can only be reduced if approved by the City. Automobile liability shall apply to all owned, hired, and non-owned autos. Automobile Liability is only required if vehicle(s) will be used under the contract.

1.2 PROFESSIONAL SERVICES REQUIREMENTS

A. Definition: Professional Services are defined as services performed by consultants or other professionals, including but not limited to: Accountants, Attorneys, Architects, Engineers, Surveyors, Veterinarians, Real Estate Appraisal, Optometry, Landscape Architects, Medical Doctors, and Materials Testing.

B. Minimum Limits of Insurance:

1. Commercial General Liability: \$500,000 per occurrence / \$2,000,000 in the aggregate for third party bodily injury, personal injury and property damage. Policy must include coverage listed in Section 1.A.1.
2. Workers Compensation and Employer's Liability: Workers Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 each accident, \$300,000 Disease - Policy Limit, and \$100,000 Disease – Each Employee. Worker's Compensation /Employers' Liability insurance is only required if contractor/vendor will use their own employees for the provision of services under the contract.
3. Automobile Liability: \$500,000 Combined Single Limit. Limits can only be reduced if approved by the City. Automobile liability shall apply to all owned, hired, and non-owned autos. Automobile Liability is only required if vehicle(s) will be used under the contract.
4. Professional Liability: Also known as Errors and Omissions: \$1,000,000 per occurrence and in the aggregate. "Claims made" policy is acceptable coverage which must be maintained during the course of the project, and up to two (2) years after completion and acceptance of the project by the City.

1.3 CONSTRUCTION SERVICES REQUIREMENTS

A. Definition: Construction Services are defined as services for construction projects, including but not limited to: General Contractors, Demolition Contractors, Utility Contractors, Building Contractors, Street and Road Contractors, etc.

B. Minimum Limits of Insurance:

1. Commercial General Liability: \$1,000,000 per occurrence / \$2,000,000 in the aggregate for third party bodily injury, personal injury and property damage. Policy must include coverage listed in Section 1.A.1.
2. Workers Compensation and Employer's Liability: Workers Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 each accident, \$300,000 Disease - Policy Limit, and \$100,000 Disease – Each Employee.
3. Automobile Liability: \$1,000,000 Combined Single Limit. Limits can only be reduced if approved by the City. Automobile liability shall apply to all owned, hired, and non-owned autos. Automobile Liability is only required if vehicle(s) will be used under the contract.

C. Additional Insurance Coverage: The City may request the following additional insurance coverage for building and construction projects. If requested by the City, the vendor must provide a certificate of insurance prior to authorization to perform services for the City.

1. Builder's Risk Insurance: Completed value form, insurance carried must be equal to the completed value of the structure. City shall be listed as Loss Payee.
2. Umbrella Liability - \$1,000,000: Limit that follows form over underlying Automobile Liability, General Liability, and Employers Liability coverage.

**Attachment C – Vendor Quotes with Cooperative Pricing &
Contract Number
(Including Form 1295 Electronically Filed and Signed;
and acknowledged by Purchasing
(IF COUNCIL APPROVAL REQUIRED))**



505 North I-35 East, DeSoto, Texas 75115 P 469.727.0727 F 469.727.0728 866.912.4587 www.palomarmodularbuildings.com

January 27, 2026
City of Corinth
Corinth, TX

Adam,

Thank you for your interest in Palomar Modular Buildings, LLC. The price reflected below, for a new **42' x 72' Building** (nominal dimensions), manufactured, delivered, and set in Corinth, TX is based on the attached specifications and floor plan.

The purchase price as specified for the building is **\$261,964.00**. The price does not include poured concrete footers, canopies, handicap ramps, steps, gutters, self-contained fire alarm, low voltage equipment, utility hookups, site work, taxes or permits. It is assumed that the site can support the building, is relatively level and easily accessible.

TIPPS CO-OP 230902

Option for aluminum decks, steps and ramp \$32,725.00

The building will be built in compliance with the International Building, Plumbing and mechanical codes, Americans with Disabilities Act, and the National Electric Code. The building will be engineered to meet local floor and roof load requirements and will have electrical, heating and cooling loads sized in accordance with code. Cost to comply with local codes beyond the attached floor plan and specifications is the responsibility of the owner.

Prices are valid for 30 days. Payment terms are 100% due upon completion of PMB scope.

Sincerely,

Guy Cruce
Business Developer
Palomar Modular Buildings LLC
469-727-0727 (o)
972-989-9456 (c)

SPECIFICATION AND STATEMENT OF WORK			
CUSTOMER	CITY OF CORINTH	LAYOUT	42' X 72' NOMINAL
DESTINATION	CORINTH, TX	SIZE	2,953
BUILDING. TYPE	VB	# OF MODS	3
DATE	1/21/2026	CODES	2021 IBC, IPC, IMC, 2015 IECC, 2020 NEC, 2012 TAS
CONSTR TYPE / USE:	BUSINESS		
FLOORS			
FRAME TYPE	OUTRIGGER SIZED TO MEET DESIGN CRITERIA		
RUNNING GEAR	TIRES, AXLES RETURNED AND HITCHES REMOVED AND STORED UNDER UNIT, IF BUILDING IS SET LOWER THAT 34" AFG HITCH TO BE LEFT OUTSIDE BUILDING LINE.		
WOOD JOISTS	2X10 SYP @ 16 OC		
INSULATION	R-30 FIBERGLASS UNFACED FIBERGLASS BATT		
DECKING	3/4" STURDI-FLOOR T&G		
MOISTURE PROTECTION	"BOTTOM BOARD" WOVEN, REINFORCED POLY		
FLOOR COVERING	12 IN COMMERCIAL VINYL TILE		
	LOCATION	T/O	
COVE BASE	4 IN VINYL		
EXT. WALLS			
WOOD STUDS	2X6 @ 16 O.C. WITH DOUBLE TOP AND SINGLE BOTTOM PLATES		
INSULATION	R-19 FIBERGLASS UNFACED FIBERGLASS BATT		
EXTERIOR SHEATHING	7/16" OSB		
MOISTURE CONTROL	BUILDING WRAP		
EXTERIOR SIDING	29 GA STEEL PRE-FINISHED, PANEL LOC +		
VINYL GYP WALL FINISH	5/8" VINYL COVERED GYP (VENETIAN FROST)		
INT. WALLS			
WOOD STUDS	2X4 @ 16 O.C. WITH DOUBLE TOP AND SINGLE BOTTOM PLATES		
INSULATION	R-11 UNFACED		
VCG WALL FINISH	5/8" VINYL COVERED GYP (VENETIAN FROST)		
CLASS "C" FRP	FULL HEIGHT		
	LOCATION	RESTROOMS	
ROOF			
TYPE	WOOD WITH LAMINATED PLYWOOD MATE BEAMS		
STD. WOOD RAFTERS	2X10 @ 24 OC		
INSULATION	R-30, UNFACED		
DECKING	5/8" OSB PLUS FR ADHESIVE FOR CLASS C ROOF		
EPDM ROOF COVERING	45 MIL MEMBRANE		
CEILING	2X4 SUSPENDED CEILING, USG RADAR TILE, 15/16 GRID		
DOORS			
EXTERIOR STEEL DOORS	(2) 3-0 / 6-8 STEEL DOOR, KNOCK DOWN FRAME, CLOSER, PAINTED 18GA DOOR ,16GA FRAME, INSULATED		
INTERIOR DOORS	(18) 3-0 / 6-8 PRE FINISHED SOLID CORE WOOD DOOR / 18GA "TIMELY" KNOCK DOWN STEEL FRAME		
DOOR GLAZING	(2) DOOR GLASS: 6X27" (EXT)		
EXT DOOR HARDWARE	(2) PMB STANDARD LEVER/PANIC GRADE 2		
INT DOOR HARDWARE	(2) LEVER-PRIVACY: GRADE 2, PMB STANDARD		
INT DOOR HARDWARE	(16) LEVER-LOCKSET GRADE 2 PMB STANDARD		
DOOR STOPS	FLOOR MOUNTED		
WINDOWS			
EXTERIOR WINDOWS	(15) 3-0 / 4-0 DUAL PANE, LOW E, CLEAR GLAZING, SINGLE HUNG VINYL FRAME (SERIES 200)		
BLINDS	(15 EA.) 1" METAL MINI BLINDS		
ELECTRICAL			
CONDUIT	NON-METALLIC TUBING (ENT)		
RECEPTACLES	DUPLEX RECEPTACLES, 20 AMP, UNBREAKABLE COVERS		
GFI RECEPT.	(4) EA 20 AMP		
EXTERIOR RECEPTACLE	(3) EA, CONVENIENCE DUPLEX WITH COVER		
CEILING WHIP/WIRED BOX	(1) EA 20 AMP ABOVE CEILING IN CONFERENCE ROOM		
DEDICATED RECEPTACLES	20A W/RECEPTACLE. (COPIERS, REFRIG, ETC.)		
DEDICATED RECEPTACLES	20A - 30A CONNECTION (30 GAL OR SMALLER WATER HEATER)		
DEDICATED RECEPTACLES	WATER HEATER DISCONNECT		
PANELS	(2) 100A-200A, 10KAIC, 1P, CLIP ON BREAKERS		
ROOM LIGHTING	2X4 LED FIXTURES		
EMERGENCY LIGHTS	(3) EMERGENCY - 2 BULB LED WITH REMOTE HEAD		
EXIT LIGHTS	(4) EXIT LIGHTS, LED W/BATTERY BU		
EXTERIOR LIGHTS	(2) EXTERIOR PORCH, LED AT EACH EXIT		
OCC. SENSOR, SINGLE	(20) EACH WALL MOUNTED PER CODE		
EMPTY BOX & CONDUITS	(56) STUBBED TO CEILING, 3/4"		

FIRE PROTECTION

Section H, Item 5.

NIC NONE

PLUMBING

SUPPLY PIPING CPVC
 WASTE PIPING PVC/ SCH 40 DWV
 TOILETS (2) TOILET, HC, FLOOR MOUNTED, TANK TYPE
 LAVYS (2) LAVY, WALL MOUNT W/SINGLE LEVER FAUCET/TV
 SINKS (1) SINK - SINGLE BOWL STAINLESS STEEL, W/SINGLE LEVER FAUCET/ TV
 WATER HEATERS (2) EA TANKLESS: STD ELEC, (2 LAVY MAX)
 ACCESSORIES (2) EA 18" x 36" SS FRAMED MIRRORS
 ACCESSORIES (2) EA SET HC GRAB BARS FOR HC TOILET
 ACCESSORIES (2) EA TOILET PAPER HOLDER - SINGLE SURFACE MOUNTED

HVAC

STD. UNITS WALL MOUNTED PACKAGED HVAC WITH ELECTRIC HEAT STRIP, 1 PHASE, SIZED PER DESIGN REQUIRMENTS
 SUPPLY AIR DUCTED
 DUCTING FLEX DUCT
 RETURN AIR DUCTED
 THERMOSTATS 7 DAY PROGRAMABLE WITH OCCUPANT OVERRIDE
 DIFFUSERS ADJUSTABLE DIFFUSERS
 FILTER AT UNIT
 EXHAUST FANS (2) 80 CFM EXHAUST FAN/LIGHT COMBO

MILLWORK & BLOCKING

CABINETS BASE & OVERHEAD CABINETS, INC. PLAM COUNTER TOPS

MISC. & ACCESSORIES

NIC NONE

SHIP LOOSE

CLOSE UP CLOSE-UP PLASTIC FOR SKIRTING OR BELLY BAND
 SKIRT FRAMING PRESSURE TREATED WOOD FRAMING (36" HT)
 SKIRTING 29 GA METAL
 SET UP ANCHORS, AUGER, STRAPS, CLIPS
 SET UP 2" X 8" PT SHIMS & OAK WEDGES

NOTES**SITE WORK**

DELIVERY, SET AND SKIRT

PALOMAR MODULAR BUILDINGS (PMB)**CLARIFICATIONS**

ALL MATERIALS AND EQUIPMENT PROVIDED FOR THE CONSTRUCTION OF THIS PROPOSED PROJECT WILL BE OF TYPICAL QUALITY AND DURABILITY FOR SIMILAR TYPES OF CONSTRUCTION. ANY MATERIALS LISTED WITH SPECIFIC NAME BRANDS MAY BE SUBSTITUTED FOR OTHER BRANDS OF COMPARABLE QUALITY.

PALOMAR MODULAR BUILDINGS (PMB) MANAGEMENT'S PROPOSAL IS BASED ON THESE WRITTEN SPECIFICATIONS AND STATEMENT OF WORK PROVIDED

CUSTOMER IS RESPONSIBLE FOR ALL PERMITS INCLUDING BUILDING PERMITS, LICENSING COSTS AND IMPACT FEES. PMB WILL BE RESPONSIBLE FOR ALL PERMITS REQUIRED FOR TRANSPORTATION OF THE MODULES OVER THE ROAD.

BUILDING FOOTPRINT NEEDS TO BE WITHIN 12" OF LEVEL IN A 60' SPAN

CUSTOMER WILL PROVIDE AN APPROPRIATE GRADED AND COMPACTED SITE AS REQUIRED FOR THE SETTING OF THE MODULAR BUILDING. GRADING SHOULD PROVIDE POSITIVE DRAINAGE AWAY FROM THE BUILDING AND COMPACTION TO A MINIMUM ALLOWABLE SOIL BEARING PRESSURE OF 2000 PSF. IT IS ASSUMED THAT THE MODULAR BUILDING WILL BE SET ABOVE GRADE. PMB WILL UTILIZE ABS PADS AND STACKED CMU BLOCK PIERS TO SET THE BUILDING ON GRADE.

FINISHED FLOOR WILL BE BETWEEN 34" AND 38" ABOVE GRADE

CUSTOMER WILL PROVIDE SITE ACCESSIBILITY FOR STANDARD MODULAR INDUSTRY DELIVERY AND INSTALLATION VEHICLES

PRICES ARE VALID FOR 30 DAYS.

THE BUILDING WILL BE BUILT IN COMPLIANCE WITH THE INTERNATIONAL BUILDING CODE, AMERICANS WITH DISABILITIES ACT, AND THE NATIONAL ELECTRIC CODE. THE BUILDING WILL BE ENGINEERED TO MEET LOCAL FLOOR AND ROOF LOAD REQUIREMENTS AND WILL HAVE ELECTRICAL, HEATING AND COOLING LOADS SIZED IN ACCORDANCE WITH NEC AND IBC CODES. COST TO COMPLY WITH LOCAL CODES BEYOND THE ATTACHED FLOOR PLAN AND SPECIFICATIONS IS THE RESPONSIBILITY OF THE OWNER.

CUSTOMER WILL MAKE SITE ACCESSIBLE FOR MODULAR INDUSTRY DELIVERY VEHICLES WHEN PMB IS READY TO DELIVER MODULAR SECTIONS.

IF SITE IS NOT READY IN TIME FOR DELIVERY OF MODULES, CUSTOMER AGREES TO REIMBURSE PMB FOR TEMPORARY STORAGE, STAGING AND/OR DAMAGES WHILE MODULES ARE STORED.

SCOPE

PMB WILL MANUFACTURE ALL MODULES IN ACCORDANCE WITH STATE AND CUSTOMER APPROVED DRAWINGS

PMB WILL TRUCK SET ALL MODULAR BUILDINGS IN ACCORDANCE WITH A MUTUALLY AGREED SITE PLAN.

PMB WILL MAKE FINAL MODULAR MATE LINE STRUCTURAL CONNECTIONS AND FINISHES INCLUDING ELECTRICAL AND HVAC CROSSOVERS PROVIDED BY PMB IN THE FIELD

PMB WILL PROVIDE AND INSTALL PRESSURE TREATED WOOD FRAMING WITH SIDING TO MATCH EXTERIOR OF BUILDING INCLUDING VENTILATION & SKIRT PANEL ACCESS

ROOF SLOPE TO ACCOMMODATE MODULAR CONSTRUCTION METHODS
 CUSTOMER WILL PROVIDE APPROPRIATE AND CURRENT GEOTECHNICAL INFORMATION AS REQUIRED FOR FOUNDATION LAYOUT
 FOUNDATION DESIGN IS INCLUDED
 PMB WILL PROVIDE STANDARD MODULAR STATE APPROVALS AND ENGINEERING (IF STATE HAS A MODULAR BUILDING PROGRAM)
 PMB STANDARD GENERAL LIABILITY UNTIL PMB WORK IS COMPLETE.
 STANDARD PMB WARRANTY INFORMATION PROVIDED AT THE COMPLETION OF THE PROJECT.
 STANDARD PMB TECHNICAL INPUT (SUBMITTAL PACKAGE) PROVIDED FOR CUSTOMER REVIEW AND APPROVAL.

EXCLUSIONS

ALL UTILITIES, SITE WORK, SITE PREPARATION, ACCESS FOR MODULAR UNITS, HAULING ROADS, CRANES OR ACCESS ROADS
 ADA ACCESSIBILITY
 BELOW GRADE FOOTERS
 FOUNDATION DESIGN
 ANY AND ALL WORK NOT ASSOCIATED WITH THE MODULAR BUILDING
 FINAL CONNECTION OF ALL UTILITIES
 MANIFOLDING OF WASTE LINES UNDER BUILDING IF BUILDING HAS PLUMBING
 FURNITURE, FIXTURES OR EQUIPMENT
 CARD ACCESS READERS
 LOW VOLTAGE WIRING INCLUDING, FIRE ALARM, PHONE, DATA, COAXIAL, MASS NOTIFICATION, PA SYSTEM, CCTV, SECURITY, ETC.
 BUILDERS RISK INSURANCE
 ANY HORIZONTAL CONDUIT FOR LOW VOLTAGE WIRING
 FIRE SUPPRESSION OR FIRE ALARM SYSTEMS
 FIRE EXTINGUISHER
 DUMPSTER, PMB WILL PLACE TRASH AND CONSTRUCTION DEBRIS IN A CLOSE RECEPTACLE TO THE BUILDING WHICH IS PROVIDE BY THE
 PORT-A-POTTY
 TEMPORARY ELECTRIC
 TEST AND BALANCE OF THE HVAC SYSTEM
 CRANES, MAN LIFTS OR FORKLIFTS
 SIGNAGE
 SURVEYING
 STAKING OF THE SITE TO SHOW WHERE BUILDING IS GOING.
 CLEANING OF ANY KIND BEYOND BROOM SWEEP
 TAXES AND BONDING OF ANY KIND
 LOCAL ZONING AND DEED RESTRICTIONS
 PERMITS INCLUDING BUT NOT LIMITED TO BUILDING PERMITS, LICENSING COSTS AND IMPACT FEES.
 PRESSURE TREATED WOOD OR METAL DECKS, STEP AND RAMPS PER ADA REQUIREMENTS (OPTION)
 GUTTERS, DOWNSPOUTS AND SPLASH BLOCKS
 CANOPIES
 ASPHALT OR CONCRETE PARKING LOT, INCLUDING DRIVES, ENTRIES, CURBS, SIGNAGE, ETC. AS OR IF REQUIRED
 REINFORCED CONCRETE FOR SIDE WALKS, ROADS, RAMPS, STOOPS, DECKS, STEPS AND EQUIPMENT PADS



CERTIFICATE OF INTERESTED PARTIES

Section H, Item 5.

FC

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2026-1416069

Date Filed:
02/03/2026

Date Acknowledged:
02/04/2026

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Palomar Modular Buildings LLC
DeSoto, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
City of Corinth

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
Contract #2026-1023
Commercial Modular Building

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)

CERTIFICATE OF INTERESTED PARTIES

Section H, Item 5.

FC

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2026-1416069

Date Filed:
02/03/2026

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Palomar Modular Buildings LLC
DeSoto, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
City of Corinth

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
Contract #2026-1023
Commercial Modular Building

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is Dehn Smith, and my date of birth is 08/01/1969.

My address is 505 North I-35 East, DeSoto, TX, 75115-4803 USA.
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Dallas County, State of Texas, on the 3rd day of February, 2026.
(month) (year)



Signature of authorized agent of contracting business entity
(Declarant)

**Attachment D – Vendor’s Cooperative Contract Documentation
with The Interlocal Purchasing System (TIPS) Contract #230902**

TIPS VENDOR AGREEMENT

TIPS RCSP 230902 Permanent Modular Buildings JOC

The following Vendor Agreement (“Agreement”) creates a legal agreement between The Interlocal Purchasing System (“TIPS”), a government purchasing cooperative and Department of Texas Region 8 Education Service Center and (INSERT ENTITY NAME):

Palomar Modular Buildings LLC

(ENTER ENTITY NAME]

its owners, agents, subsidiaries, and affiliates (together, “Vendor”) (individually, “Party”, and collectively the “Parties”) and this agreement shall exclusively govern the contractual relationship (“Agreement”) between the Parties.

TIPS, a governmental entity and a national purchasing cooperative seeks to provide a valuable and necessary solution to public entities and qualifying non-profits by performing the public procurement solicitation process and awarding compliant contracts to qualified vendors. Then, where the law of a customer’s jurisdiction allows, instead of public entities and qualifying non-profits expending time, money, and resources on the extensive public procurement process, the use of TIPS allows public entities to quickly select and purchase their preferred products or services from qualified, competitively evaluated vendors through cooperative purchasing.

1. **Purpose.** The purpose of this Agreement is to identify the terms and conditions of the relationship between TIPS and Vendor. Public entities and qualifying non-profits that properly join or utilize TIPS (“TIPS Members”) may elect to “piggyback” off of TIPS’ procurements and agreements where the laws of their jurisdiction allow. TIPS Members are not contractual parties to this Agreement although terms and conditions of this Agreement may ensure benefits to TIPS Members.
2. **Authority.** The Parties agree that the signatories below are individual authorized to enter into this Agreement on behalf of their entity and that they are acting under due and proper authority under applicable law.
3. **Definitions.**
 - a. **TIPS Pricing:** The specific pricing, coefficients, mark-ups, discounts, and other pricing terms and incentives which Vendor submitted and TIPS approved for each respective TIPS Contract awarded to Vendor and all permissible, subsequent pricing updates submitted by Vendor and accepted by TIPS, if any.
4. **Entire Agreement.** This Agreement resulted from TIPS posting a “TIPS Solicitation” (RFP, RCSP, RFQ, or other) and Vendor submitting a proposal in response to that posted TIPS Solicitation for evaluation and award. The Parties agree that this Agreement consists of the provisions set forth herein and: (1) The TIPS solicitation document resulting in this Agreement; (2) Any addenda or clarifications issued in relation to the TIPS solicitation; (3) All solicitation information provided to Vendor by TIPS through the TIPS eBid System; (3) Vendor’s entire proposal response to the TIPS solicitation including all accepted required attachments, acknowledged notices and certifications, accepted negotiated terms, pricing, accepted responses to questions, and accepted written clarifications of Vendor’s proposal, and; any properly included attachments to this Agreement. All documentation and information listed is hereby incorporated by reference as if set forth herein verbatim. In the event of conflict between the terms herein and one of the incorporated documents the terms and conditions herein shall control.
5. **Vendor’s Specific Warranties, Terms, and License Agreements.** Because TIPS serves public entities and non-profits throughout the nation all of which are subject to specific laws and policies of their jurisdiction, as a matter of standard practice, TIPS does not typically accept a Vendor’s specific “Sale Terms” (warranties, license agreements, master agreements, terms and conditions, etc.) on behalf of all TIPS Members. TIPS may permit Vendor to attach those to this Agreement to display to interested customers what terms may apply to their Supplemental Agreement with Vendor (if submitted by Vendor for that purpose). However, unless this term of the Agreement is negotiated and modified to state otherwise, those specific Sale Terms are not accepted by TIPS on behalf of all TIPS Members and each Member may choose whether to accept, negotiate, or reject those specific Sale Terms, which must be reflected in a separate agreement between Vendor and the Member in order to be effective.
6. **Vendor Identity and Contact Information.** It is Vendor’s sole responsibility to ensure that all identifying vendor information (name, EIN, d/b/a’s, etc.) and contact information is updated and current at all times within the TIPS eBid System and the TIPS Vendor Portal. It is Vendor’s sole responsibility to confirm that all e-correspondence issued from tips-usa.com, ionwave.net, and tipsconstruction.com to Vendor’s contacts are received and are not blocked by firewall or other technology security. Failure to permit receipt of correspondence from these domains and failure to keep vendor identity and contact information current at all times during the life of

the contract may cause loss of TIPS Sales, accumulating TIPS fees, missed rebid opportunities, lapse of TIPS Contract(s), and unnecessary collection or legal actions against Vendor. It is no defense to any of the foregoing or any breach of this Agreement that Vendor was not receiving TIPS' electronic communications issued by TIPS to Vendor's listed contacts.

7. **Initiation of TIPS Sales.** When a public entity initiates a purchase with Vendor, if the Member inquires verbally or in writing whether Vendor holds a TIPS Contract, it is the duty of the Vendor to verify whether the Member is seeking a TIPS purchase. Once verified, Vendor must include the TIPS Contract Number on all purchase communications and sales documents exchanged with the TIPS Member.
8. **TIPS Sales and Supplemental Agreements.** If awarded, when making a sale under this awarded contract, the terms of the specific TIPS order, including but not limited to: shipping, freight, insurance, delivery, fees, bonding, cost, delivery expectations and location, returns, refunds, terms, conditions, cancellations, defects, order assistance, etc., shall be controlled by the purchase agreement (Purchase Order, Contract, AIA Contract, Invoice, etc.) ("Supplemental Agreement" as used herein) entered into between the TIPS Member Customer and Vendor only. TIPS is not a party to any Supplemental Agreement. All Supplemental Agreements shall include Vendor's Name, as known to TIPS, and TIPS Contract Name and Number. Vendor accepts and understands that TIPS is not a legal party to TIPS Sales and Vendor is solely responsible for identifying fraud, mistakes, unacceptable terms, or misrepresentations for the specific order prior to accepting. Vendor agrees that any order issued from a customer to Vendor, even when processed through TIPS, constitutes a legal contract between the customer and Vendor only. When Vendor accepts or fulfills an order, even when processed through TIPS, Vendor is representing that Vendor has carefully reviewed the order for legality, authenticity, and accuracy and TIPS shall not be liable or responsible for the same. In the event of a conflict between the terms of this TIPS Vendor Agreement and those contained in any Supplemental Agreement, the provisions set forth herein shall control unless otherwise agreed to and authorized by the Parties in writing within the Supplemental Agreement. The Supplemental Agreement shall dictate the scope of services, the project delivery expectations, the scheduling of projects and milestones, the support requirements, and all other terms applicable to the specific sale(s) between the Vendor and the TIPS Member.
9. **Right of Refusal.** Vendor has the right not to sell to a TIPS Member under the awarded agreement at Vendor's discretion unless otherwise required by law.
10. **Reporting TIPS Sales.** If awarded on this TIPS Contract, for the duration of the contract, Vendor shall provide a RS Means line-item estimates to TIPS for each anticipated TIPS project or sale. When a TIPS Member Customer seeks a quote or proposal for a TIPS sale, Vendor shall always supply a line-item estimate to TIPS for review and approval. If awarded, Vendor must report all TIPS Sales to TIPS. If a TIPS sale is initiated by Vendor receiving a TIPS Member's purchase order from TIPS directly, Vendor may consider that specific TIPS Sale reported. Otherwise, with the exception of TIPS Automated Vendors, who have signed an exclusive agreement with TIPS regarding reporting, all TIPS Sales must be reported to TIPS by either: (1) Emailing the line item quote and purchase order or similar purchase document (with Vendor's Name, as known to TIPS, the TIPS Contract Name and Number included, and authorized signatures on behalf of both the TIPS Member and Vendor) to TIPS at tipspo@tips-usa.com with "Confirmation Only" in the subject line of the email within three business days of Vendor's acceptance of the order, or; (2) Within 3 business days of the order being accepted by Vendor, Vendor must login to the TIPS Vendor Portal and successfully self-report all necessary sale information within the Vendor Portal and confirm that it shows up accurately on your current Vendor Portal statement. No other method of reporting is acceptable unless agreed to by the Parties in writing. Failure to report all sales pursuant to this provision may result in immediate cancellation of Vendor's TIPS Contract(s) for cause at TIPS' sole discretion. Please refer to the TIPS [Accounting FAQ's](#) for more information about reporting sales and if you have further questions, contact the Accounting Team at accounting@tips-usa.com.
11. **TIPS Administration Fees.** The collection of administrative fees by TIPS, a government entity, for performance of these procurement services is required pursuant to Texas Government Code Section 791.011 et. seq. The administration fee ("TIPS Administration Fee") is the amount legally owed by Vendor to TIPS for TIPS Sales made by Vendor. The TIPS Administration Fee amount is typically a set percentage of the amount paid by the TIPS Member for each TIPS Sale, less shipping cost, bond cost, and taxes if applicable and identifiable, which is legally due to TIPS, but the exact TIPS Administration Fee for this Contract is published in the corresponding solicitation and is incorporated herein by reference. TIPS Administration Fees are due to TIPS immediately upon Vendor's receipt of payment, including partial payment, for a TIPS Sale. The TIPS Administration Fee is assessed on the amount paid by the TIPS Member, not on the Vendor's cost or on the amount for which the Vendor sold the item to a dealer or Authorized Reseller. Upon receipt of payment for a TIPS Sale, including partial payment (which renders TIPS Administration Fees immediately due), Vendor shall issue to TIPS the corresponding TIPS Administration Fee payment as soon as possible but not later than thirty-one calendar days following Vendor's receipt of payment. Vendor shall pay TIPS via check unless otherwise agreed to by the Parties in writing. Vendor shall include clear documentation with the issued payment dictating to which sale(s) the amount should be applied. Vendor may create a payment report within their TIPS Vendor Portal which is the preferred documentation dictating to which TIPS Sale(s) the amount should be applied. Failure to pay all TIPS Administration Fees pursuant to this provision may result in immediate cancellation of Vendor's TIPS Contract(s) for cause at TIPS' sole discretion as well as the initiation of collection and legal actions by TIPS against

Vendor to the extent permitted by law. Any overpayment of participation fees to TIPS by Vendor will be refunded to the Vendor within ninety (90) days of receipt of notification if TIPS receives written notification of the overpayment not later than the expiration of six (6) months from the date of overpayment and TIPS determines that the amount was not legally due to TIPS pursuant to this agreement and applicable law. Any notification of overpayment received by TIPS after the expiration of six (6) months from the date that TIPS received the payment will render the overpayment non-refundable. Region 8 ESC and TIPS reserve the right to extend the six (6) month deadline if approved by the Region 8 ESC Board of Directors. TIPS reserves all rights under the law to collect TIPS Administration Fees due to TIPS pursuant to this Agreement.

12. **Term of the Agreement.** If awarded, the resulting Agreement with TIPS is for approximately two years with an option for renewal for an additional two consecutive one-year terms. The first renewal year shall be automatic unless Vendor notifies TIPS of its objection to the first one-year renewal. The second one-year renewal shall only be effective if offered by TIPS at its sole discretion. If TIPS offers the second renewal option, the Vendor will be notified via email issued to Vendor’s then-listed Primary Contact. The renewal option shall be deemed accepted by Vendor unless Vendor notifies TIPS of its objection to the renewal option in writing and confirms receipt by TIPS.

Actual Effective Date: Agreement is effective upon signature by authorized representatives of both Parties. The Effective Date does not affect the “Term Calculation Start Date.”

Term Calculation Start Date: To keep the contract term consistent for all vendors awarded under a single TIPS contract, Vendor shall calculate the foregoing term as starting on the last day of the month that “Award Notifications” are anticipated as published in the Solicitation, regardless of the actual Effective Date.

Example of Term Calculation Start Date: If the anticipated “Award Date” published in the Solicitation is May 22, 2023, but extended negotiations delay award until June 27, 2023 (Actual Effective Date), the Term Calculation Start Date shall be May 31, 2023 in this example.

Contract Expiration Date: To keep the contract term consistent for all vendors awarded under a single TIPS contract, the term expiration date shall be two-years from the Term Calculation Start Date.

Example of Contract Expiration Date: If the anticipated “Award Date” published in the Solicitation is May 22, 2023, but extended negotiations delay award until June 27, 2023 (Actual Effective Date), the Term Calculation Start Date shall be May 31, 2023 and the Contract Expiration Date of the resulting initial “three-year” term, (which is subject to an extension(s)) will be May 31, 2026 in this example.

Option(s) for Renewal: Any option(s) for renewal shall begin on the Contract Expiration Date, or the date of the expiration of the prior renewal term where applicable, and continue for the duration specified for the renewal option herein.

Example of Option(s) for Renewal: In this example, if TIPS offers the second one-year renewal and the Contract Expiration Date is May 31, 2026, then the one-year renewal is effective from May 31, 2026 to May 31, 2027.

TIPS may offer to extend Vendor Agreements to the fullest extent the TIPS Solicitation resulting in this Agreement permits.

13. **TIPS Pricing.** Vendor agrees and understands that for each TIPS Contract that it is awarded, Vendor submitted, agreed to, and received TIPS’ approval for pricing, coefficients, mark-ups, discounts, and other pricing terms and incentives which make up Vendor’s TIPS Pricing for that TIPS Contract (“TIPS Pricing”). Vendor confirms that Vendor will not add the TIPS Administration Fee as a charge or line-item in a TIPS Sale. Vendor hereby certifies that Vendor shall only offer goods and services through this TIPS Contract if those goods and services fall within the scope of the TIPS Contract and are priced according to Vendor’s TIPS Pricing. TIPS reserves the right to review Vendor’s proposals and quotes line-item by line-item to determine compliance. However, Vendor contractually agrees that all TIPS quotes and proposals shall be within the original terms of the Vendor’s TIPS Pricing (scope, coefficients, percentage markups, and other pricing terms and incentives originally proposed by Vendor) such that TIPS may approve Vendor’s quotes and proposals without additional vetting at TIPS discretion.

14. **Indemnification of TIPS.** VENDOR AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND TIPS, TIPS MEMBERS, TIPS OFFICERS, TIPS EMPLOYEES, TIPS DIRECTORS, AND TIPS TRUSTEES (THE “TIPS INDEMNITEES”) FROM AND AGAINST ALL CLAIMS AND SUITS BY THIRD-PARTIES FOR DAMAGES, INJURIES TO PERSONS (INCLUDING DEATH), PROPERTY DAMAGES, LOSSES, EXPENSES, FEES, INCLUDING COURT COSTS, ATTORNEY’S FEES, AND EXPERT FEES, ARISING OUT OF OR RELATING TO VENDOR’S PERFORMANCE UNDER THIS AGREEMENT (INCLUDING THE PERFORMANCE OF VENDOR’S OFFICERS, EMPLOYEES, AGENTS,

AUTHORIZED RESELLERS, SUBCONTRACTORS, LICENSEES, OR INVITEES), REGARDLESS OF THE NATURE OF THE CAUSE OF ACTION, INCLUDING WITHOUT LIMITATION CAUSES OF ACTION BASED UPON COMMON, CONSTITUTIONAL, OR STATUTORY LAW OR BASED IN WHOLE OR IN PART UPON ALLEGATIONS OF NEGLIGENT OR INTENTIONAL ACTS OR OMISSIONS ON THE PART OF VENDOR, ITS OFFICERS, EMPLOYEES, AGENTS, AUTHORIZED RESELLERS, SUBCONTRACTORS, LICENSEES, OR INVITEES. NO LIMITATION OF LIABILITY FOR DAMAGES FOR PERSONAL INJURY OR PROPERTY DAMAGE ARE PERMITTED OR AGREED TO BY TIPS. APART FROM THIS INDEMNIFICATION PROVISION REQUIRING INDEMNIFICATION OF THE TIPS INDEMNITEES' ATTORNEY'S FEES AS SET FORTH ABOVE, RECOVERY OF ATTORNEYS' FEES BY THE PREVAILING PARTY IS AUTHORIZED ONLY IF AUTHORIZED BY TEX. EDUC. CODE § 44.032(F).

15. **Indemnification and Assumption of Risk – Vendor Data.** VENDOR AGREES THAT IT IS VOLUNTARILY PROVIDING DATA (INCLUDING BUT NOT LIMITED TO: VENDOR INFORMATION, VENDOR DOCUMENTATION, VENDOR'S PROPOSALS, VENDOR PRICING SUBMITTED OR PROVIDED TO TIPS, TIPS CONTRACT DOCUMENTS, TIPS CORRESPONDENCE, VENDOR LOGOS AND IMAGES, VENDOR'S CONTACT INFORMATION, VENDOR'S BROCHURES AND COMMERCIAL INFORMATION, VENDOR'S FINANCIAL INFORMATION, VENDOR'S CERTIFICATIONS, AND ANY OTHER VENDOR INFORMATION OR DOCUMENTATION, INCLUDING WITHOUT LIMITATION SOFTWARE AND SOURCE CODE UTILIZED BY VENDOR, SUBMITTED TO TIPS BY VENDOR AND ITS AGENTS) ("VENDOR DATA") TO TIPS. FOR THE SAKE OF CLARITY, AND WITHOUT LIMITING THE BREADTH OF THE INDEMNITY OBLIGATIONS IN SECTION 14 ABOVE, VENDOR AGREES TO PROTECT, INDEMNIFY, AND HOLD THE TIPS INDEMNITEES HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, ACTIONS, DEMANDS, ALLEGATIONS, SUITS, JUDGMENTS, COSTS, EXPENSES, FEES, INCLUDING COURT COSTS, ATTORNEY'S FEES, AND EXPERT FEES AND ALL OTHER LIABILITY OF ANY NATURE WHATSOEVER ARISING OUT OF OR RELATING TO: (I) ANY UNAUTHORIZED, NEGLIGENT OR WRONGFUL USE OF, OR CYBER DATA BREACH INCIDENT AND VIRUSES OR OTHER CORRUPTING AGENTS INVOLVING, VENDOR'S DATA, PRICING, AND INFORMATION, COMPUTERS, OR OTHER HARDWARE OR SOFTWARE SYSTEMS, AND; (II) ALLEGATIONS OR CLAIMS THAT ANY VENDOR DATA INFRINGES ON THE INTELLECTUAL PROPERTY RIGHTS OF A THIRD-PARTY OR VENDOR.
16. **Intellectual Property Indemnification by Vendor. Procedures Related to Indemnification.** In the event that an indemnity obligation arises, Vendor shall pay all amounts set forth in Section 14 and 15 above (including any settlements) and – if it has accepted its indemnity obligation without qualification – control the legal defense to such claim or cause of action, including without limitation attorney selection, strategy, discovery, trial, appeal, and settlement, and TIPS shall, at Vendor's cost and expense (with respect to reasonable out of pocket costs and expenses incurred by TIPS which shall be reimbursed to TIPS by Vendor), provide all commercially reasonable assistance requested by Vendor. In controlling any defense, Vendor shall ensure that all assertions of governmental immunity and all applicable pleas and defenses shall be promptly asserted.
17. **Indemnity for Underlying Sales and Supplemental Agreements.** Vendor shall be solely responsible for any customer claims or any disputes arising out of TIPS Sales or any Supplemental Agreement as if sold in the open-market. The Parties agree that TIPS shall not be liable for any claims arising out of Vendor's TIPS Sales or Supplemental Agreements, including but not limited to: allegations of product defect or insufficiency, allegations of service defect or insufficiency, allegations regarding delivery defect or insufficiency, allegations of fraud or misrepresentation, allegations regarding pricing or amounts owed for TIPS sales, and/or allegations regarding payment, over-payment, under-payment, or non-payment for TIPS Sales. Payment/Drafting, overpayment/over-drafting, under-payment/under-drafting, or non-payment for TIPS Sales between customer and Vendor and inspections, rejections, or acceptance of such purchases shall be the exclusive respective obligations of Vendor/Customer, and disputes shall be handled in accordance with the terms of the underlying Supplemental Agreement(s) entered into between Vendor and Customer. Vendor acknowledges that TIPS is not a dealer, subcontractor, agent, or reseller of Vendor's goods and services and shall not be responsible for any claims arising out of alleged insufficiencies or defects in Vendor's goods and services, should any arise.
18. **Confidentiality of Vendor Data.** Vendor understands and agrees that by signing this Agreement, all Vendor Data is hereby released to TIPS, TIPS Members, and TIPS third-party administrators to effectuate Vendor's TIPS Contract except as provided for herein. The Parties agree that Vendor Data is accessible by all TIPS Members as if submitted directly to that TIPS Member Customer for purchase consideration. If Vendor otherwise considers any portion of Vendor's Data to be confidential and not subject to public disclosure pursuant to Chapter 552 Texas Gov't Code (the "Public Information Act") or other law(s) and orders, Vendor must have identified the claimed confidential materials through proper execution of the Confidentiality Claim Form which is required to be submitted as part of Vendor's proposal resulting in this Agreement and incorporated by reference. The Confidentiality Claim Form included in Vendor's proposal and incorporated herein by reference is the sole indicator of whether Vendor considers any Vendor Data confidential in the event TIPS receives a Public Information Request. If TIPS receives a request, any responsive documentation not deemed confidential by you in this manner will be automatically released. For Vendor Data deemed confidential by you in this manner, TIPS will follow procedures of controlling statute(s) regarding any claim of confidentiality and shall not be liable for any release of information required by law, including Attorney General determination and opinion. In the event that TIPS receives a written request for information pursuant to the Public Information Act that affects Vendor's interest in any information or data furnished to TIPS by Vendor, and TIPS requests an opinion from the Attorney General, Vendor may, at its own option and expense, prepare comments and submit information

directly to the Attorney General stating why the requested information is exempt from disclosure pursuant to the requirements of the Public Information Act. Vendor is solely responsible for submitting the memorandum brief and information to the Attorney General within the time period prescribed by the Public Information Act. Notwithstanding any other information provided in this solicitation or Vendor designation of certain Vendor Data as confidential or proprietary, Vendor's acceptance of this TIPS Vendor Agreement constitutes Vendor's consent to the disclosure of Vendor's Data, including any information deemed confidential or proprietary, to TIPS Members or as ordered by a Court or government agency, including without limitation the Texas Attorney General. Vendor agrees that TIPS shall not be responsible or liable for any use or distribution of information or documentation by TIPS Members or as required by law.

- 19. Vendor's Subcontractors.** TIPS recognizes that many vendors operate in the open market through the use of subcontractors. For that reason, TIPS permits Vendor to utilize subcontractors as authorized and permitted by the TIPS Member Customer. However, all purchase documents must include: (1) Vendor's Name, as known to TIPS, and; (2) Vendor's TIPS Contract Name and Number under which it is making the TIPS Sale. Vendor must report the sale pursuant to the terms herein and Vendor agrees that it is legally responsible for all reporting and fee payment as described herein for TIPS Sales even when subcontractors are utilized. The TIPS Administration Fee is assessed on the amount paid by the TIPS Member to Vendor. The Parties intend that Vendor shall be responsible and for actions of subcontractors during a TIPS Sale. Vendor agrees that it is voluntarily authorizing subcontractors and in doing so, Vendor agrees that it is doing so at its own risk and agrees to protect, indemnify, and hold TIPS harmless in accordance with Sections 14-17 above related to subcontractor TIPS Sales made pursuant to this Agreement or purporting to be made pursuant to this Agreement that may be asserted against Vendor whether rightfully brought or otherwise. The Parties further agree that it is no defense to Vendor's breach of this Agreement that a subcontractor caused Vendor of breach this Agreement.
- 20. Circumvention of TIPS Sales.** When a public entity initiates a purchase with Vendor, if the Member inquires verbally or in writing whether Vendor holds a TIPS Contract, it is the duty of the Vendor to verify whether the Member is seeking a TIPS purchase. Any request for quote, customer communication, or customer purchase initiated through or referencing a TIPS Contract shall be completed through TIPS pursuant to this Agreement. Any encouragement or participation by Vendor in circumventing a TIPS sale being completed may result in immediate termination of Vendor's TIPS Contract(s) for cause as well as preclusion from future TIPS opportunities at TIPS sole discretion.
- 21. State of Texas Franchise Tax.** By signature hereon, Vendor hereby certifies that Vendor is not currently delinquent in the payment of any franchise taxes owed to the State of Texas under Chapter 171 of the Texas Tax Code.
- 22. Termination.**
- A) Termination for Convenience. TIPS may, by written notice to Vendor, terminate this Agreement for convenience, in whole or in part, at any time by giving thirty (30) days' written notice to Vendor of such termination, and specifying the effective date thereof.
 - B) Termination for Cause. If Vendor fails to materially perform pursuant to the terms of this Agreement, TIPS shall provide written notice to Vendor specifying the default. If Vendor does not cure such default within thirty (30) days, TIPS may terminate this Agreement, in whole or in part, for cause. If TIPS terminates this Agreement for cause, and it is later determined that the termination for cause was wrongful, the termination shall automatically be converted to and treated as a termination for convenience.
 - C) Vendor's Termination. If TIPS fails to materially perform pursuant to the terms of this Agreement, Vendor shall provide written notice to TIPS specifying the default ("Notice of Default"). If TIPS does not cure such default within thirty (30) days, Vendor may terminate this Agreement, in whole or in part, for cause. If Vendor terminates this Agreement for cause, and it is later determined that the termination for cause was wrongful, the termination shall automatically be converted to and treated as a termination for convenience.
 - D) Upon termination, all TIPS Sale orders previously accepted by Vendor shall be fulfilled and Vendor shall be paid for all TIPS Sales executed pursuant to the applicable terms. All TIPS Sale orders presented to Vendor but not fulfilled by Vendor, prior to the actual termination of this agreement shall be honored at the option of the TIPS Member. TIPS shall submit to Vendor an invoice for any outstanding TIPS Administration Fees and approved expenses and Vendor shall pay such fees and expenses within 30 calendar days of receipt of such valid TIPS invoice. Vendor acknowledges and agrees that continued participation in TIPS is subject to TIPS' sole discretion and that any Vendor may be removed from the TIPS program at any time with or without cause. This

termination clause does not affect TIPS Sales Supplemental Agreements pursuant to this term regarding termination and the Survival Clause term.

- E) Vendor hereby waives any and all claims for damages, including, but not limited, to consequential damages or lost profits, that might arise from TIPS' act of terminating this Agreement.

- 23. Survival Clause.** It is the intent of the Parties that this Agreement and procurement method applies to any TIPS Sale made during the life of this Agreement even if made on or near the Contract Expiration Date as defined herein. Thus, all TIPS Sales, including but not limited to: leases, service agreements, license agreements, open purchase orders, warranties, and contracts, even if they extend months or years past the TIPS Contract Expiration Date, shall survive the expiration or termination of this Agreement subject to the terms and conditions of the Supplemental Agreement between Customer and Vendor or unless otherwise specified herein.
- 24. Audit Rights.** Due to transparency statutes and public accountability requirements of TIPS and TIPS Members, Vendor shall at their sole expense, maintain documentation of all TIPS Sales for a period of three years from the time of the TIPS Sale. In order to ensure and confirm compliance with this agreement, TIPS shall have authority to conduct audits of Vendor's TIPS Pricing or TIPS Sales with thirty-days' notice unless the audit is ordered by a Court Order or by a Government Agency with authority to do so without said notice. Notwithstanding the foregoing, in the event that TIPS is made aware of any pricing being offered to eligible entities that is materially inconsistent with Vendor's TIPS Pricing, TIPS shall have the ability to conduct the audit internally or may engage a third-party auditing firm to investigate any possible non-compliant conduct or may terminate the Agreement according to the terms of this Agreement. In the event of an audit, the requested materials shall be reasonably provided in the time, format, and at the location acceptable to TIPS. TIPS agrees not to perform a random audit the TIPS transaction documentation more than once per calendar year, but reserves the right to audit for just cause or as required by any governmental agency or court with regulatory authority over TIPS or the TIPS Member. These audit rights shall survive termination of this Agreement for a period of one (1) year from the effective date of termination.
- 25. Conflicts of Interest.** The Parties confirm that they have not offered, given, or accepted, nor intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, service to the other in connection with this Agreement. Vendor affirms that, to the best of Vendor's knowledge, this Agreement has been arrived at independently, and is awarded without collusion with anyone to obtain information or gain any favoritism that would in any way limit competition or give an unfair advantage over other vendors in the award of this Agreement. Vendor agrees that it has disclosed any necessary affiliations with Region 8 Education Service Center and the TIPS Department, if any, through the Conflict of Interest attachment provided in the solicitation resulting in this Agreement.
- 26. Volume of TIPS Sales.** Nothing in this Agreement or any TIPS communication may be construed as a guarantee that TIPS or TIPS Members will submit any TIPS orders to Vendor at any time.
- 27. Compliance with the Law.** The Parties agree to comply fully with all applicable federal, state, and local statutes, ordinances, rules, and regulations applicable to their entity in connection with the programs contemplated under this Agreement.
- 28. Severability.** If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void, or unenforceable, then such term(s) or provision(s) shall be deemed restated to reflect the original intention of the Parties as nearly as possible in accordance with applicable law and the remainder of this Agreement, and the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, unless such holding causes the obligations of the Parties hereto to be impossible to perform or shall render the terms of this Agreement to be inconsistent with the intent of the Parties hereto.
- 29. Force Majeure.** If by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement through no fault of its own then such party shall give notice and full particulars of Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon. Upon delivering such notice, the obligation of the affected party, so far as it is affected by such Force Majeure as described, shall be suspended during the continuance of the inability then claimed but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. In the event that Vendor's obligations are suspended by reason of Force Majeure, all TIPS Sales accepted prior to the Force Majeure event shall be the legal responsibility of Vendor and the terms of the TIPS Sale Supplemental Agreement shall control Vendor's failure to fulfill for a Force Majeure event.
- 30. Immunity.** Vendor agrees that nothing in this Agreement shall be construed as a waiver of sovereign or government immunity; nor constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to Region 8 Education Service Center or its TIPS Department. The failure to enforce, or any delay in the enforcement of, any privileges, rights, defenses,

remedies, or immunities available to Region 8 Education Service Center or its TIPS Department under this Agreement or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel.

- 31. Insurance Requirements.** Vendor agrees to maintain the following minimum insurance requirements for the duration of this Agreement. All policies held by Vendor to adhere to this term shall be written by a carrier with a financial size category of VII and at least a rating of "A-" by A.M. Best Key Rating Guide. The coverages and limits are to be considered minimum requirements and in no way limit the liability of the Vendor(s). Any immunity available to TIPS or TIPS Members shall not be used as a defense by the contractor's insurance policy. Only deductibles applicable to property damage are acceptable, unless proof of retention funds to cover said deductibles is provided. "Claims made" policies will not be accepted. Vendor's required minimum coverage shall not be suspended, voided, cancelled, non-renewed or reduced in coverage or in limits unless replaced by a policy that provides the minimum required coverage except after thirty (30) days prior written notice by certified mail, return receipt requested has been given to TIPS or the TIPS Member if a project or pending delivery of an order is ongoing. Upon request, certified copies of all insurance policies shall be furnished to the TIPS or the TIPS Member. Vendor agrees that when Vendor or its subcontractors are liable for any damages or claims, Vendor's policy, shall be primary over any other valid and collectible insurance carried by the Member or TIPS.

General Liability: \$1,000,000 each Occurrence/Aggregate
 Automobile Liability: \$300,000 Includes owned, hired & non-owned
 Workers' Compensation: Statutory limits for the jurisdiction in which the Vendor performs under this Agreement. If Vendor performs in multiple jurisdictions, Vendor shall maintain the statutory limits for the jurisdiction with the greatest dollar policy limit requirement.
 Umbrella Liability: \$1,000,000 each Occurrence/Aggregate

- 32. Waiver.** No waiver of any single breach or multiple breaches of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision. No delay in acting regarding any breach of any provision shall be construed to be a waiver of such breach.
- 33. Binding Agreement.** This Agreement shall be binding and inure to the benefit of the Parties hereto and their respective heirs, legal successors, and assigns.
- 34. Headings.** The paragraph headings contained in this Agreement are included solely for convenience of reference and shall not in any way affect the meaning or interpretation of any of the provisions of this Agreement.
- 35. Choice of Law and Venue.** This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas. Any proceeding, claim, action, or alternative dispute resolution arising out of or relating to this Agreement or involving TIPS shall be brought in a State Court of competent jurisdiction in Camp County, Texas, or if Federal Court is legally required, a Federal Court of competent jurisdiction in the Eastern District of Texas, and each of the Parties irrevocably submits to the exclusive jurisdiction of said court in any such proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the proceeding shall be heard and determined only in any such court, and agrees not to bring any proceeding arising out of or relating to this procurement process or any contract resulting from or and contemplated transaction in any other court. The Parties agree that either or both of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and freely bargained for agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum.
- 36. Relationship of the Parties.** Nothing contained in this Agreement shall be construed to make one Party an agent of the other Party nor shall either party have any authority to bind the other in any respect, unless expressly authorized by the other party in writing. The Parties are independent contractors and nothing in this Agreement creates a relationship of employment, trust, agency or partnership between them.
- 37. Assignment.** No assignment of this Agreement or of any duty or obligation of performance hereunder, shall be made in whole or in part by a Party hereto without the prior written consent of the other Party. Written consent of TIPS shall not be unreasonably withheld.
- 38. Minimum Condition and Warranty Requirements for TIPS Sales.** All goods quoted or sold through a TIPS Sale shall be new unless clearly stated otherwise in writing. All new goods and services shall include the applicable manufacturers minimum standard warranty unless otherwise agreed to in the Supplemental Agreement.
- 39. Minimum Customer Support Requirements for TIPS Sales.** Vendor shall provide timely and commercially reasonable support for TIPS Sales or as agreed to in the applicable Supplemental Agreement.

- 40. Minimum Shipping Requirements for TIPS Sales.** Vendor shall ship, deliver, or provide ordered goods and services within a commercially reasonable time after acceptance of the order. If a delay in delivery is anticipated, Vendor shall notify the TIPS Member as to why delivery is delayed and provide an updated estimated time for completion. The TIPS Member may cancel the order if the delay is not commercially acceptable or not consistent with the Supplemental Agreement applicable to the order.
- 41. Minimum Vendor License Requirements.** Vendor shall maintain, in current status, all federal, state, and local licenses, bonds and permits required for the operation of the business conducted by Vendor. Vendor shall remain fully informed of and in compliance with all ordinances and regulations pertaining to the lawful provision of goods or services under the TIPS Agreement. TIPS and TIPS Members reserve the right to stop work and/or cancel a TIPS Sale or terminate this or any TIPS Sale Supplemental Agreement involving Vendor if Vendor's license(s) required to perform under this Agreement or under the specific TIPS Sale have expired, lapsed, are suspended or terminated subject to a 30-day cure period unless prohibited by applicable statute or regulation.
- 42. Minimum Vendor Legal Requirements.** Vendor shall remain aware of and comply with this Agreement and all local, state, and federal laws governing the sale of products/services offered by Vendor under this contract. Such applicable laws, ordinances, and policies must be complied with even if not specified herein.
- 43. Minimum Site Requirements for TIPS Sales (when applicable to TIPS Sale).**

Cleanup: When performing work on site at a TIPS Member's property, Vendor shall clean up and remove all debris and rubbish resulting from their work as required or directed by the TIPS Member or as agreed by the parties. Upon completion of work, the premises shall be left in good repair and an orderly, neat, clean and unobstructed condition.

Preparation: Vendor shall not begin a project for which a TIPS Member has not prepared the site, unless Vendor does the preparation work at no cost, or until TIPS Member includes the cost of site preparation in the TIPS Sale Site preparation includes, but is not limited to: moving furniture, installing wiring for networks or power, and similar pre-installation requirements.

Registered Sex Offender Restrictions: For work to be performed at schools, Vendor agrees that no employee of Vendor or a subcontractor who has been adjudicated to be a registered sex offender will perform work at any time when students are, or reasonably expected to be, present unless otherwise agreed by the TIPS Member. Vendor agrees that a violation of this condition shall be considered a material breach and may result in the cancellation of the TIPS Sale at the TIPS Member's discretion. Vendor must identify any additional costs associated with compliance of this term. If no costs are specified, compliance with this term will be provided at no additional charge.

Safety Measures: Vendor shall take all reasonable precautions for the safety of employees on the worksite, and shall erect and properly maintain all necessary safeguards for protection of workers and the public. Vendor shall post warning signs against all hazards created by the operation and work in progress. Proper precautions shall be taken pursuant to state law and standard practices to protect workers, general public and existing structures from injury or damage.

Smoking: Persons working under Agreement shall adhere to the TIPS Member's or local smoking statutes, codes, ordinances, and policies.

- 44. Wage Rates:** TIPS Member Customers often have to designate either Davis Bacon Act wage rates or similar wage rates for their construction contracts. The RS Means Unit Price Book accounts for local wage rates and the contractor must comply with RS Means and any additional wage rate requirements of the TIPS Member Customer.
- 45. Engineering and Architectural Services:** It is impermissible in Texas and some other jurisdictions for engineering and architectural services (A&E) to be procured or provided through an interlocal cooperative contract such as this one. The TIPS Member Customer, if required by law, must engage independent A&E providers according to the laws of their jurisdiction.
- 46. Payment for TIPS Sales.** TIPS Members may make payments for TIPS Sales directly to Vendor, or as otherwise agreed to in the applicable Supplemental Agreement after receipt of the invoice and in compliance with applicable payment statutes. Regardless of how payment is issued or received for a TIPS Sale, Vendor is responsible for all reporting and TIPS Administration Fee payment requirements as stated herein.
- 47. Marketing.** Vendor agrees to allow TIPS to use their name and logo within the TIPS website, database, marketing materials, and advertisements unless Vendor negotiates this term to include a specific acceptable-use directive. Any use of TIPS' name and logo or any form of publicity, inclusive of press release, regarding this Agreement by Vendor must have prior approval from TIPS which will

not be unreasonably withheld. Request may be made by email to tips@tips-usa.com. For marketing efforts directed to TIPS Members, Vendor must request and execute a separate Joint Marketing Disclaimer, at marketing@tips-usa.com, before TIPS can release contact information for TIPS Member entities for the purpose of marketing your TIPS contract(s). Vendor must adhere to strict Marketing Requirements once a disclaimer is executed. The Joint Marketing Disclaimer is a supplemental agreement specific to joint marketing efforts and has no effect on the terms of the TIPS Vendor Agreement. Vendor agrees that any images, photos, writing, audio, clip art, music, or any other intellectual property ("Property") or Vendor Data utilized, provided, or approved by Vendor during the course of the joint marketing efforts are either the exclusive property of Vendor, or Vendor has all necessary rights, license, and permissions to utilize said Property in the joint marketing efforts. Vendor agrees that they shall indemnify and hold harmless TIPS and its employees, officers, agents, representatives, contractors, assignees, designees, and TIPS Members from any and all claims, damages, and judgments involving infringement of patent, copyright, trade secrets, trade or services marks, and any other intellectual or intangible property rights and/or claims arising from the Vendor's (including Vendor's officers', employees', agents', Authorized Resellers', subcontractors', licensees', or invitees') unauthorized use or distribution of Vendor Data and Property.

- 48. Tax Exempt Status of TIPS Members.** Most TIPS Members are tax exempt entities and the laws and regulations applicable to the specific TIPS Member customer shall control.
- 49. Automatic Renewal Limitation for TIPS Sales.** No TIPS Sale may incorporate an automatic renewal clause that exceeds month to month terms with which the TIPS Member must comply. All renewal terms incorporated into a TIPS Sale Supplemental Agreement shall only be valid and enforceable when Vendor received written confirmation of acceptance of the renewal term from the TIPS Member for the specific renewal term. The purpose of this clause is to avoid a TIPS Member inadvertently renewing an Agreement during a period in which the governing body of the TIPS Member has not properly appropriated and budgeted the funds to satisfy the Agreement renewal. Any TIPS Sale Supplemental Agreement containing an "Automatic Renewal" clause that conflicts with these terms is rendered void and unenforceable.
- 50. Choice of Law Limitation for TIPS Sales.** Vendor agrees that if any "Choice of Law" provision is included in any TIPS Sale agreement/contract between Vendor and a TIPS Member, that clause must provide that the "Choice of Law" applicable to the TIPS Sale agreement/contract between Vendor and TIPS Member shall be the state where the TIPS Member operates unless the TIPS Member expressly agrees otherwise. Any TIPS Sale Supplemental Agreement containing a "Choice of Law" clause that conflicts with these terms is rendered void and unenforceable.
- 51. Venue Limitation for TIPS Sales.** Vendor agrees that if any "Venue" provision is included in any TIPS Sale Agreement/contract between Vendor and a TIPS Member, that clause must provide that the "Venue" for any litigation or alternative dispute resolution shall be in the state and county where the TIPS Member operates unless the TIPS Member expressly agrees otherwise. Any TIPS Sale Supplemental Agreement containing a "Venue" clause that conflicts with these terms is rendered void and unenforceable.
- 52. Indemnity Limitation for TIPS Sales.** Texas and other jurisdictions restrict the ability of governmental entities to indemnify others. Vendor agrees that if any "Indemnity" provision which requires the TIPS Member to indemnify Vendor is included in any TIPS sales agreement/contract between Vendor and a TIPS Member, that clause must either be stricken or qualified by including that such indemnity is only permitted, "to the extent permitted by the laws and constitution of [TIPS Member's State]" unless the TIPS Member expressly agrees otherwise. Any TIPS Sale Supplemental Agreement containing an "Indemnity" clause that conflicts with these terms is rendered void and unenforceable.
- 53. Arbitration Limitation for TIPS Sales.** Vendor agrees that if any "Arbitration" provision is included in any TIPS Sale agreement/contract between Vendor and a TIPS Member, that clause may not require that the arbitration is mandatory or binding. Vendor agrees that if any "Arbitration" provision is included in any TIPS Sale agreement/contract between Vendor and a TIPS Member, that clause provides for only voluntary and non-binding arbitration unless the TIPS Member expressly agrees otherwise. Any TIPS Sale Supplemental Agreement containing a "Arbitration" clause that conflicts with these terms is rendered void and unenforceable.

In Witness Whereof, the parties hereto, each acting under due and proper authority, have signed this Agreement.



TIPS VENDOR AGREEMENT SIGNATURE FORM TIPS

230902 Permanent Modular Buildings (JOC)

Vendor Name: Palomar Modular Buildings LLC

Vendor Address: 505 N I-35 E

City: DeSoto State: TX Zip Code: 75115

Vendor Authorized Signatory Name: John Martin

Vendor Authorized Signatory Title: President

Vendor Authorized Signatory Phone: 469-727-0727

Vendor Authorized Signatory Email: jmartin@palomarmodular.com

Vendor Authorized Signature: *J. Martin* Date: 10/13/2023

(The following is for TIPS completion only)

TIPS Authorized Signatory Name: Dr. David Fitts

TIPS Authorized Signatory Title: Executive Director

TIPS Authorized Signature: *David Wayne Fitts* Date: 11/16/2023



230902

Palomar Modular Buildings LLC Supplier Response

Event Information

Number: 230902
 Title: Permanent Modular Buildings (JOC)
 Type: Request for Proposal
 Issue Date: 9/7/2023
 Deadline: 10/20/2023 03:00 PM (CT)

Notes: This is a solicitation issued by The Interlocal Purchasing System (TIPS), a department of Texas Region 8 Education Service Center. It is an Indefinite Delivery, Indefinite Quantity ("IDIQ") solicitation. It will result in contracts that provide, through adoption/"piggyback" an indefinite quantity of supplies/services, during a fixed period of time, to TIPS public entity and qualifying non-profit "TIPS Members" throughout the nation. Thus, there is no specific project or scope of work to review. Rather this solicitation is issued as a prospective award for utilization when any TIPS Member needs the goods or services offered during the life of the agreement.

IF YOU CURRENTLY HOLDS TIPS CONTRACT 200902 PERMANENT MODULAR BUILDINGS (JOC) ("200902") YOU MUST RESPOND TO THIS SOLICITATION TO PREVENT LAPSE OF CONTRACT UNLESS YOU HOLD ANOTHER CURRENT TIPS CONTRACT THAT COVERS ALL OF YOUR PERMANENT MODULAR BUILDING OFFERINGS. THIS AWARDED CONTRACT WILL REPLACE YOUR EXPIRING TIPS CONTRACT 200902.

IF YOU HOLD ANOTHER TIPS CONTRACT OTHER THAN 200902 WHICH COVERS ALL OF YOUR PERMANENT MODULAR BUILDING OFFERINGS AND YOU ARE SATISFIED WITH IT,

Contact Information

Address: Region 8 Education Service Center
4845 US Highway 271 North
Pittsburg, TX 75686
Phone: +1 (866) 839-8477
Email: bids@tips-usa.com

Palomar Modular Buildings LLC Information

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Address: 505 N Interstate 35E
DeSoto, TX 75115
Phone: (469) 727-0727
Fax: (469) 727-0728
Toll Free: (866) 912-4587
Web Address: www.palomarmodularbuildings.com

By submitting your response, you certify that you are authorized to represent and bind your company.

John Martin

Signature

jmartin@palomarmodular.com

Email

Submitted at 10/13/2023 03:24:39 PM (CT)

Requested Attachments

Vendor Agreement

230902 Vendor Agreement.pdf

The Vendor Agreement must be downloaded from the "Attachments" section of the IonWave eBid System, reviewed, Vendor Name placed in the line provided at the top, and uploaded to this location. If Vendor has proposed deviations to the Vendor Agreement, Vendor may assert so in the Attribute Questions and those shall be addressed during evaluation.

Vendor Agreement Signature Form

230902 Vendor Agreement
Signature Form.pdf

The Vendor Agreement Signature Form must be downloaded from the "Attachments" section of the IonWave eBid System, reviewed, properly completed, and uploaded to this location. If Vendor has proposed deviations to the Vendor Agreement, Vendor may leave the signature line of this page blank and assert so in the Attribute Questions and those shall be addressed during evaluation.

Reference Form

230902 Reference Form JOC.xls

The Reference Form must be downloaded from the "Attachments" section of the IonWave eBid System, reviewed, properly completed, and uploaded to this location. The Reference Form must be uploaded in Excel format.

Required Bonding Capacity Letter

Bonding Letter.pdf

Vendor is required to upload a Bonding Capacity Letter from its surety, as described herein, at this location. Please see the attachment entitled "Instructions and Sample – Required Bonding Capacity Letter" for complete instructions. Vendor will be scored on the aggregate bonding capacity displayed in the accepted letter. Vendor must provide a current letter (issued on or after the first day of the month preceding the date on which the solicitation was posted) from its surety verifying Vendor's bonding capacity as described herein. (Ex. if the solicitation/bid posted on February 4, 2022, the letter must be dated on or after January 1 2022. The letter must be issued from Vendor's Surety companies, on surety company letterhead, must specify the maximum bonding capacity of the Vendor, and must be signed by an authorized representative of the surety company. The issuing surety must be authorized to do business in the State of Texas and must be listed on the Department of the Treasury's Listing of Approved Sureties (Department Circular 570).

Required Confidentiality Claim Form

230902 Required Confidentiality
Claim Form.pdf

The Required Confidentiality Claim Form must be downloaded from the "Attachments" section of the IonWave eBid System, reviewed, properly completed, and uploaded to this location. This is the only way for Vendor to assert confidentiality of any information submitted.

Current Form W-9

Palomar W-9 signed 2023.pdf

Vendor must upload their current IRS Tax Form W-9. The legal name, EIN, and d/b/a's listed should match the information provided herein exactly. This form will be utilized by TIPS to properly identify your entity.

Conflict of Interest Questionnaire - Form CIQ

No response

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Do not upload this form unless you have a reportable conflict with TIPS. There is an Attribute entitled "Interest Questionnaire Requirement" immediately followed by an Attribute entitled "Conflict of Interest Questionnaire Requirement – Form CIQ – Continued." Properly respond to those Attributes and only upload this form if applicable/instructed. If upload is required based on your response to those Attributes, the Conflict of Interest Questionnaire – Form CIQ must be downloaded from the "Attachments" section of the IonWave eBid System, reviewed, properly completed, and uploaded at this location.

Disclosure of Lobbying Activities - Standard Form - LLL

No response

Do not upload this form unless Vendor has reportable lobbying activities. There are Attributes entitled, "2 CFR Part 200 or Federal Provision - Byrd Anti-Lobbying Amendment – Continued." Properly respond to those Attributes and only upload this form if applicable/instructed. If upload is required based on your response to those Attributes, the Disclosure of Lobbying Activities – Standard Form - LLL must be downloaded from the "Attachments" section of the IonWave eBid System, reviewed, properly completed, and uploaded to this location.

Certificates & Licenses (Supplemental Vendor Information Only)

License.pdf

Optional. If Vendor would like to display any applicable certificates or licenses (including HUB certificates) for TIPS and TIPS Member Customer consideration, Vendor may upload those at this location. These supplemental documents shall not be considered part of the TIPS Contract. Rather, they are Vendor Supplemental Information for marketing and informational purposes only.

Vendor's Warranties, Terms, and Conditions (Supplemental Vendor Information Only)

PMB warranty-sample.pdf

Optional. If Vendor would like to display any standard warranties, terms, or conditions which are often applicable to their offerings for TIPS and TIPS Member Customer consideration, Vendor may upload those at this location. These supplemental documents shall not be considered part of the TIPS Contract. Rather, they are Vendor Supplemental Information for marketing and informational purposes only.

Supplemental Vendor Information (Supplemental Vendor Information Only)

Pricing and Company Info.pdf

Optional. If Vendor would like to display or include any brochures, promotional documents, marketing materials, or other Vendor Information for TIPS and TIPS Member Customer consideration, Vendor may upload those at this location. These supplemental documents shall not be considered part of the TIPS Contract. Rather, they are Vendor Supplemental Information for marketing and informational purposes only.

Vendor Logo (Supplemental Vendor Information Only)

Palomar-logo-300px.jpg

Optional. If Vendor desires that their logo be displayed on their public TIPS profile for TIPS and TIPS Member viewing, Vendor may upload that logo at this location. These supplemental documents shall not be considered part of the TIPS Contract. Rather, they are Vendor Supplemental Information for marketing and informational purposes only.

Bid Attributes

1 Disadvantaged/Minority/Women Business & Federal HUBZone

Some participating public entities are required to seek Disadvantaged/Minority/Women Business & Federal HUBZone ("D/M/WBE/Federal HUBZone") vendors. Does Vendor certify that their entity is a D/M/WBE/Federal HUBZone vendor?

If you respond "Yes," you must upload current certification proof in the appropriate "Response Attachments" location.

NO

2 Historically Underutilized Business (HUB)

Some participating public entities are required to seek Historically Underutilized Business (HUB) vendors as defined by the Texas Comptroller of Public Accounts Statewide HUB Program. Does Vendor certify that their entity is a HUB vendor?
If you respond "Yes," you must upload current certification proof in the appropriate "Response Attachments" location.

No

3 National Coverage

Can the Vendor provide its proposed goods and services to all 50 US States?

No

4 States Served

If Vendor answered "No" to the question entitled "National Coverage," please list all states where vendor can provide the goods and services proposed directly below. Your response may dictate which potential TIPS Member customers consider purchasing your offerings.

AZ,AR,CO,NM,OK,KS,MO,TX,TN,GA,FL,MS

5 Description of Vendor Entity and Vendor's Goods & Services

If awarded, this description of Vendor and Vendor's goods and services will appear on the TIPS website for customer/public viewing.

Permanent Modular Buildings

6 Primary Contact Name

Please identify the individual who will be primarily responsible for all TIPS matters and inquiries for the duration of the contract.

John Martin

7 Primary Contact Title

Primary Contact Title

President

8 Primary Contact Email

Please enter a valid email address that will definitely reach the Primary Contact.

jmartin@palomarmodular.com

9 Primary Contact Phone

Numbers only, no symbols or spaces (Ex. 8668398477). The system will auto-populate your entry with commas once submitted which is appropriate and expected (Ex. 8,668,398,477).

Please provide the accurate and current phone number where the individual who will be primarily responsible for all TIPS matters and inquiries for the duration of the contract can be reached directly.

4697270727

10 Primary Contact Fax

Numbers only, no symbols or spaces (Ex. 8668398477). The system will auto-populate your entry with commas once submitted which is appropriate and expected (Ex. 8,668,398,477).

-2

1 1	Primary Contact Mobile	Section H, Item 5.
	Numbers only, no symbols or spaces (Ex. 8668398477). The system will auto-populate your entry with commas once submitted which is appropriate and expected (Ex. 8,668,398,477).	
	<input type="text" value="No response"/>	

1 2	Secondary Contact Name
	Please identify the individual who will be secondarily responsible for all TIPS matters and inquiries for the duration of the contract.
	<input type="text" value="Jane Tavern"/>

1 3	Secondary Contact Title
	Secondary Contact Title
	<input type="text" value="Business Development"/>

1 4	Secondary Contact Email
	Please enter a valid email address that will definitely reach the Secondary Contact.
	<input type="text" value="jtaavern@palomarmodular.com"/>

1 5	Secondary Contact Phone
	Numbers only, no symbols or spaces (Ex. 8668398477). The system will auto-populate your entry with commas once submitted which is appropriate and expected (Ex. 8,668,398,477).
	Please provide the accurate and current phone number where the individual who will be secondarily responsible for all TIPS matters and inquiries for the duration of the contract can be reached directly.
	<input type="text" value="4697270727"/>

1 6	Secondary Contact Fax
	Numbers only, no symbols or spaces (Ex. 8668398477). The system will auto-populate your entry with commas once submitted which is appropriate and expected (Ex. 8,668,398,477).
	<input type="text" value="No response"/>

1 7	Secondary Contact Mobile
	Numbers only, no symbols or spaces (Ex. 8668398477). The system will auto-populate your entry with commas once submitted which is appropriate and expected (Ex. 8,668,398,477).
	<input type="text" value="2145462843"/>

1 8	Administration Fee Contact Name
	Please identify the individual who will be responsible for all payment, accounting, and other matters related to Vendor's TIPS Administration Fee due to TIPS for the duration of the contract.
	<input type="text" value="Ron Berggren"/>

1 9	Administration Fee Contact Email
	Please enter a valid email address that will definitely reach the Administration Fee Contact.
	<input type="text" value="rberggren@palomarmodular.com"/>

2 0	Administration Fee Contact Phone
	Numbers only, no symbols or spaces (Ex. 8668398477). The system will auto-populate your entry with commas once submitted which is appropriate and expected (Ex. 8,668,398,477).
	<input type="text" value="4697270727"/>

2 1	Purchase Order and Sales Contact Name	Section H, Item 5.
	Please identify the individual who will be responsible for receiving and processing purchase orders and sales under the TIPS Contract.	
<input type="text" value="Jane Tavern"/>		

2 2	Purchase Order and Sales Contact Email
	Please enter a valid email address that will definitely reach the Purchase Order and Sales Contact.
<input type="text" value="jtavern@palomarmodular.com"/>	

2 3	Purchase Order and Sales Contact Phone
	Numbers only, no symbols or spaces (Ex. 8668398477). The system will auto-populate your entry with commas once submitted which is appropriate and expected (Ex. 8,668,398,477).
<input type="text" value="4697270727"/>	

2 4	Company Website
	Company Website (Format - www.company.com)
<input type="text" value="www.palomarmodular.com"/>	

2 5	Entity D/B/A's and Assumed Names
	You must confirm that you are responding to this solicitation under your legal entity name. Go now to your Supplier Profile in this eBid System and confirm that your profile reflects your "Legal Name" as it is listed on your W9.
In this question, please identify all of your entity's assumed names and D/B/A's. Please note that you will be identified publicly by the Legal Name under which you respond to this solicitation unless you organize otherwise with TIPS after award.	
<input type="text" value="Palomar Modular Buildings LLC"/>	

2 6	Primary Address
	Primary Address
<input type="text" value="505 N I-35 E"/>	

2 7	Primary Address City
	Primary Address City
<input type="text" value="DeSoto"/>	

2 8	Primary Address State
	Primary Address State (2 Digit Abbreviation)
<input type="text" value="TX"/>	

2 9	Primary Address Zip
	Primary Address Zip
<input type="text" value="75115"/>	

30 Search Words Identifying Vendor

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Please list all search words and phrases to be included in the TIPS database related to your entity. ~~Do not~~ list words which are not associated with the bid category/scope (See bid title for general scope). This will help users find you through the TIPS website search function. You may include product names, manufacturers, specialized services, and other words associated with the scope of this solicitation.

modular

31 Certification of Vendor Residency (Required by the State of Texas)

Does Vendor's parent company or majority owner:

(A) have its principal place of business in Texas; **or** (B) employ at least 500 persons in Texas?

Texas Education Code Section 44.031 requires that this information be considered in evaluation for certain contracts. However, Vendor response does not affect points, scoring, or potential award.

Yes

32 Vendor's Principal Place of Business (City)

In what city is Vendor's principal place of business located?

DeSoto

33 Vendor's Principal Place of Business (State)

In what state is Vendor's principal place of business located?

TX

34 Vendor's Years in Business

How many years has the business submitting this proposal been operating in its current capacity and field of work?

12.8

35 Certification Regarding Entire TIPS Agreement

Vendor agrees that, if awarded, Vendor's final TIPS Contract will consist of the provisions set forth in the finalized TIPS Vendor Agreement, Vendor's responses to these attribute questions, and: (1) The TIPS solicitation document resulting in this Agreement; (2) Any addenda or clarifications issued in relation to the TIPS solicitation; (3) All solicitation information provided to Vendor by TIPS through the TIPS eBid System; (3) Vendor's entire proposal response to the TIPS solicitation including all accepted required attachments, acknowledged notices and certifications, accepted negotiated terms, accepted pricing, accepted responses to questions, and accepted written clarifications of Vendor's proposal, and; any properly included attachments to the TIPS Contract.

Does Vendor agree?

Yes, Vendor agrees

3 **REQUIRED - Vendor's Regular Hours RS Means Coefficient**

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6 What is Vendor's Regular Hours RS Means Coefficient?

The RS Means Price Book is a unit price book adjusted for different geographic areas by using the City Cost Index for each location. You may visit <https://www.rsmeans.com> for more information.

You must review the TIPS RS Means JOC Pricing Explanation & Rubric under the "Attachments" tab prior to responding herein.

To propose the RS Means Price Book pricing exactly, Vendor would insert a 1.0 as their Regular Hours RS Means Coefficient below, to propose a 5% discount off of the RS Means Price Book Vendor would insert a .95 as their Regular Hours RS Means Coefficient below. To see the full scoring rubric and use TIPS scoring calculator, please view the TIPS RS Means JOC Pricing Explanation & Rubric under the "Attachments" tab.

Insert Vendor's Regular Hours RS Means Coefficient below.

3 **REQUIRED - Vendor's After-Hours RS Means Coefficient**

7 What is Vendor's After-Hours RS Means Coefficient?

The RS Means Price Book is a unit price book adjusted for different geographic areas by using the City Cost Index for each location. You may visit <https://www.rsmeans.com> for more information.

You must review the TIPS RS Means JOC Pricing Explanation & Rubric under the "Attachments" tab prior to responding herein.

The most common After-Hours RS Means Coefficient is "time-and-a-half" of the standard RS Means Unit Price Book. For example, if Vendor's Regular Hours Coefficient above is .95, Vendor would assert an After-Hours RS Means Coefficient of 1.45 for "time-and-a-half" pricing. To see the full scoring rubric and use TIPS scoring calculator, please view the TIPS RS Means JOC Pricing Explanation & Rubric under the "Attachments" tab.

Insert Vendor's After-Hours RS Means Coefficient below.

3 **REQUIRED - Vendor's Percentage Markup of Items not Pre-Priced within the RS Means Price Book**

8 Here, Vendor must enter a percentage, not a coefficient.

If Vendor sells items which cannot be found in the RS Means Price Book, at what Percentage Markup does Vendor agree to sell those Non Pre-Priced items? This is a maximum Percentage Markup and Vendor may always offer customers a lesser markup.

Example: In this example, Vendor is selling a project to a TIPS Member school district and some of the contract pricing for special materials cannot be verified because it cannot be found in the RS Means Price book. Vendor may sell those specialty items to the Member this percentage markup from cost. In this example, if one of the specialty items cost Vendor \$100 from the manufacturer and Vendor proposed a Percentage Markup of 30% here, then Vendor could sell the item to the TIPS Customer for \$130.00 or less in this example.

Vendor must provide TIPS with manufacturer documentation reflecting the cost of any non pre-priced item at the time of the TIPS sale so that TIPS can verify that the proposed percentage markup is being honored.

What is Vendor's Percentage Markup of items not Pre-Priced within the RS Means Price Book?

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Volume and Additional Discounts

Section H, Item 5.

Does Vendor ever expect and intend to offer additional, greater, or volume discounts to TIPS Members?

Point(s) may be assigned for your response in the category of "Pricing" during scoring and evaluation.

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TIPS Pricing and Line Item Estimate Pricing Requirements

This is a requirement of the TIPS Contract and is non-negotiable.

Vendor must respond to the required pricing attributes above seeking RS Means coefficients and a percentage markup.

If awarded on this TIPS Contract, for the duration of the contract, Vendor agrees to provide a RS Means line-item estimate to TIPS for each anticipated TIPS project or sale. Or, in limited circumstances in contracts where Xactimate pricing is also expressly permitted and Vendor also submits Xactimate pricing, Vendor may instead provide an Xactimate line-item estimate to TIPS. However, Vendor agrees that when a TIPS Member Customer seeks a quote for a TIPS sale, Vendor will always supply a line-item estimate to TIPS for review and approval.

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EXCEPTIONS & DEVIATIONS TO TIPS STANDARD TERMS AND CONDITIONS

Vendor agrees that, if awarded, Vendor's final TIPS Contract will consist of the provisions set forth in the finalized TIPS Vendor Agreement, Vendor's responses to these attribute questions, and: (1) The TIPS solicitation document resulting in this Agreement; (2) Any addenda or clarifications issued in relation to the TIPS solicitation; (3) All solicitation information provided to Vendor by TIPS through the TIPS eBid System; (3) Vendor's entire proposal response to the TIPS solicitation including all accepted required attachments, acknowledged notices and certifications, accepted negotiated terms, accepted pricing, accepted responses to questions, and accepted written clarifications of Vendor's proposal, and; any properly included attachments to the TIPS Contract. In the event of conflict between the terms of the finalized Vendor Agreement and one of the incorporated documents the terms and conditions which are in the best interest of governmental/qualifying non-profit TIPS Members shall control at TIPS sole discretion.

If Vendor responds, "No, Vendor does not agree" to this Attribute, after this solicitation legally closes and TIPS begins evaluating Vendor's file, TIPS will provide Vendor with a draft Word Document version of the Vendor Agreement and will be instructed to include all requested negotiations as redline edits for TIPS consideration. This is the only proper way to submit proposed deviations for TIPS consideration. TIPS reserves the right to accept, decline, or modify Vendor's requested negotiated terms. For this reason, answering "No, Vendor does not agree" may ultimately delay or prevent award.

Does Vendor agree with TIPS standard terms and conditions as presented in the TIPS solicitation document (RFP, RCSP, RFQ, or other) and the TIPS Vendor Agreement document?

4
2 **TIPS Sales Reporting Requirements**

Section H, Item 5.

This is a requirement of the TIPS Contract and is non-negotiable.

By submitting this proposal, Vendor certifies that Vendor will properly report all TIPS sales. With the exception of TIPS Automated Vendors, who have signed an exclusive agreement with TIPS regarding reporting, all TIPS Sales must be reported to TIPS by either:

(1) Emailing the purchase order or similar purchase document (with Vendor's Name, as known to TIPS, and the TIPS Contract Name and Number included) to TIPS at tipspo@tips-usa.com with "Confirmation Only" in the subject line of the email within three business days of Vendor's acceptance of the order, or;

(2) Within 3 business days of the order being accepted by Vendor, Vendor must login to the TIPS Vendor Portal and successfully self-report all necessary sale information within the Vendor Portal and confirm that it shows up accurately on your current Vendor Portal statement.

No other method of reporting is acceptable unless agreed to by the Parties in writing. Failure to report all sales pursuant to this provision may result in immediate cancellation of Vendor's TIPS Contract(s) for cause at TIPS' sole discretion.

4
3 **TIPS Administration Fee Requirement and Acknowledgment**

This is a requirement of the TIPS Contract and is non-negotiable.

The collection of fees by TIPS, a government entity, for performance of these procurement services is required pursuant to Texas Government Code Section 791.011 et. seq. The TIPS Administration Fee is the amount legally owed by Vendor to TIPS for TIPS Sales made by Vendor. The TIPS Administration Fee amount is typically a set percentage of each TIPS Sale legally due to TIPS, but the exact TIPS Administration Fee for this Contract is published in the corresponding RFP or RCSP document. TIPS Administration Fees are due to TIPS immediately upon Vendor's receipt of payment, including partial payment, for a TIPS Sale.

By submitting a proposal, Vendor agrees that it has read, understands, and agrees to the published TIPS Administration Fee amount, calculation, and payment requirements. By submitting a proposal Vendor further confirms that all TIPS Pricing includes the TIPS Administration Fee and Vendor will not show adding the TIPS Administration Fee as a charge or line-item in any TIPS Sale.

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4 **TIPS Member Access to Vendor Proposal & Documentation**

This is a requirement of the TIPS Contract and is non-negotiable.

Notwithstanding any other information provided in this solicitation or Vendor designation of certain documentation as confidential or proprietary, Vendor's submission of this proposal constitutes Vendor's express consent to the disclosure of Vendor's comprehensive proposal, including any information deemed confidential or proprietary, **to TIPS Members**. The proposing Vendor agrees that TIPS shall not be responsible or liable for any use or distribution of information or documentation to TIPS Members or by TIPS Members. By submitting this proposal, Vendor certifies the foregoing.

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Non-Collusive Bidding Certificate

Section H, Item 5.

This is a requirement of the TIPS Contract and is non-negotiable.

By submission of this proposal, the Vendor certifies that:

- 1) This proposal has been independently arrived at without collusion with any other entity, bidder, or with any competitor;
- 2) This proposal has not been knowingly disclosed and will not be knowingly disclosed, prior to the opening of bids, or proposals for this project, to any other bidder, competitor or potential competitor;
- 3) No attempt has been or will be made to induce any other person, partnership or corporation to modify, submit, or not to submit a bid or proposal; and
- 4) The person signing this bid or proposal certifies that they are duly authorized to execute this proposal/contract on behalf of Vendor and they have fully informed themselves regarding the accuracy of the statements contained in this certification, and under the penalties being applicable to the bidder as well as to the person signing in its behalf;

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Antitrust Certification Statements (Tex. Government Code § 2155.005)

This is a requirement of the TIPS Contract and is non-negotiable.

By submission of this bid or proposal, Vendor certifies under penalty of perjury of the laws of the State of Texas that:

- (1) I am duly authorized to execute this proposal/contract on my own behalf or on behalf of the company, corporation, firm, partnership or individual (Vendor) identified herein;
- (2) In connection with this proposal, neither I nor any representative of Vendor has violated any provision of the Texas Free Enterprise and Antitrust Act, Tex. Bus. & Comm. Code Chapter 15;
- (3) In connection with this proposal, neither I nor any representative of the Vendor has violated any federal antitrust law;
- (4) Neither I nor any representative of Vendor has directly or indirectly communicated any of the contents of this bid to a competitor of the Company or any other company, corporation, firm, partnership or individual engaged in the same line of business as the Company.

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Limitation on Out-of-State Litigation - Texas Business and Commerce Code § 272

This is a requirement of the TIPS Contract and is non-negotiable.

Texas Business and Commerce Code § 272 prohibits a construction contract, or an agreement collateral to or affecting the construction contract, from containing a provision making the contract or agreement, or any conflict arising under the contract or agreement, subject to another state's law, litigation in the courts of another state, or arbitration in another state. If included in Texas construction contracts, such provisions are voidable by a party obligated by the contract or agreement to perform the work.

By submission of this proposal, Vendor acknowledges this law and ***if Vendor enters into a construction contract with a Texas TIPS Member*** under this procurement, Vendor certifies compliance.

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Required Confidentiality Claim Form

Section H, Item 5.

This is a requirement of the TIPS Contract and is non-negotiable.

TIPS provides the required TIPS Confidentiality Claim Form in the "Attachments" section of this solicitation. Vendor must execute this form by either signing and waiving any confidentiality claim, or designating portions of Vendor's proposal confidential. If Vendor considers any portion of Vendor's proposal to be confidential and not subject to public disclosure pursuant to Chapter 552 Texas Gov't Code or other law(s) and orders, Vendor must have identified the claimed confidential materials through proper execution of the Confidentiality Claim Form.

If TIPS receives a public information act or similar request, any responsive documentation not deemed confidential by you in this manner will be automatically released. For Vendor documents deemed confidential by you in this manner, TIPS will follow procedures of controlling statute(s) regarding any claim of confidentiality and shall not be liable for any release of information required by law, including Attorney General determination and opinion.

Notwithstanding any other Vendor designation of Vendor's proposal as confidential or proprietary, Vendor's submission of this proposal constitutes Vendor's agreement that proper execution of the required TIPS Confidentiality Claim Form is the only way to assert any portion of Vendor's proposal as confidential.

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Non-Discrimination Statement and Certification

This is a requirement of the TIPS Contract and is non-negotiable.

In accordance with Federal civil rights law, all U.S. Departments, including but not limited to the USDA, USDE, FEMA, are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by federal funds (not all bases apply to all programs).

Vendor certifies that Vendor will comply with applicable Non-Discrimination and Equal Opportunity provisions set forth in TIPS Member Customers' policies and other regulations at the local, state, and federal levels of governments.

Yes, I certify

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Limitation of Vendor Indemnification and Similar Clauses

This is a requirement of the TIPS Contract and is non-negotiable.

TIPS, a department of Region 8 Education Service Center, a political subdivision, and local government entity of the State of Texas, is prohibited from indemnifying third-parties (pursuant to the Article 3, Section 52 of the Texas Constitution) except as otherwise specifically provided for by law or as ordered by a court of competent jurisdiction. Article 3, Section 52 of the Texas Constitution states that "no debt shall be created by or on behalf of the State ... " and the Texas Attorney General has opined that a contractually imposed obligation of indemnity creates a "debt" in the constitutional sense. Tex. Att'y Gen. Op. No. MW-475 (1982). Thus, contract clauses which require TIPS to indemnify Vendor, pay liquidated damages, pay attorney's fees, waive Vendor's liability, or waive any applicable statute of limitations must be deleted or qualified with "to the extent permitted by the Constitution and Laws of the State of Texas."

Does Vendor agree?

Yes, I Agree

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Alternative Dispute Resolution Limitations

Section H, Item 5.

This is a requirement of the TIPS Contract and is non-negotiable.

TIPS, a department of Region 8 Education Service Center, a political subdivision, and local government entity of the State of Texas, does not agree to binding arbitration as a remedy to dispute and no such provision shall be permitted in this Agreement with TIPS. Vendor agrees that any claim arising out of or related to this Agreement, except those specifically and expressly waived or negotiated within this Agreement, may be subject to non-binding mediation at the request of either party to be conducted by a mutually agreed upon mediator as prerequisite to the filing of any lawsuit arising out of or related to this Agreement. Mediation shall be held in either Camp or Titus County, Texas. Agreements reached in mediation will be subject to the approval by the Region 8 ESC's Board of Directors, authorized signature of the Parties if approved by the Board of Directors, and, once approved by the Board of Directors and properly signed, shall thereafter be enforceable as provided by the laws of the State of Texas.

Does Vendor agree?

Yes, Vendor agrees

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No Waiver of TIPS Immunity

This is a requirement of the TIPS Contract and is non-negotiable.

Vendor agrees that nothing in this Agreement shall be construed as a waiver of sovereign or government immunity; nor constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to Region 8 Education Service Center or its TIPS Department. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to Region 8 Education Service Center or its TIPS Department under this Agreement or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel.

Does Vendor agree?

Yes, Vendor agrees

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Payment Terms and Funding Out Clause

This is a requirement of the TIPS Contract and is non-negotiable.

Vendor agrees that TIPS and TIPS Members shall not be liable for interest or late-payment fees on past-due balances at a rate higher than permitted by the laws or regulations of the jurisdiction of the TIPS Member.

Funding-Out Clause: Vendor agrees to abide by the applicable laws and regulations, including but not limited to Texas Local Government Code § 271.903, or any other statutory or regulatory limitation of the jurisdiction of any TIPS Member, which requires that contracts approved by TIPS or a TIPS Member are subject to the budgeting and appropriation of currently available funds by the entity or its governing body.

Does Vendor agree?

Yes, Vendor agrees

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Certification Regarding Prohibition of Certain Terrorist Organizations (Tex. Gov. Code 2270)

Vendor certifies that Vendor is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State.

Does Vendor certify?

Yes, Vendor certifies

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Certification Regarding Prohibition of Boycotting Israel (Tex. Gov. Code 2271)

Section H, Item 5.

If (a) Vendor is not a sole proprietorship; (b) Vendor has ten (10) or more full-time employees; and (c) the Agreement or any agreement with a TIPS Member under this procurement has value of \$100,000 or more, the following certification shall apply; otherwise, this certification is not required. Vendor certifies, where applicable, that neither the Vendor, nor any affiliate, subsidiary, or parent company of Vendor, if any, boycotts Israel, and Vendor agrees that Vendor and Vendor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory but does not include an action made for ordinary business purposes.

When applicable, does Vendor certify?

Yes, Vendor certifies

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Certification Regarding Prohibition of Contracts with Certain Foreign-Owned Companies (Tex. Gov. Code 2274)

Certain public entities are prohibited from entering into a contract or other agreement relating to critical infrastructure that would grant Vendor direct or remote access to or control of critical infrastructure in this state, excluding access specifically allowed by a customer for product warranty and support purposes.

Vendor certifies that neither it nor its parent company nor any affiliate of Vendor or its parent company, is (1) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or a designated country; (2) a company or other entity, including governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or (3) headquartered in China, Iran, North Korea, Russia, or a designated country.

For purposes of this certification, "critical infrastructure" means "a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility." Vendor certifies that Vendor will not grant direct or remote access to or control of critical infrastructure, except for product warranty and support purposes, to prohibited individuals, companies, or entities, including governmental entities, owned, controlled, or headquartered in China, Iran, North Korea, Russia, or a designated country, as determined by the Governor.

When applicable, does Vendor certify?

Yes, Vendor certifies

**Certification Regarding Prohibition of Discrimination Against Firearm and Ammunition In
Gov. Code 2274)**

If (a) Vendor is not a sole proprietorship; (b) Vendor has at least ten (10) full-time employees; and (c) this Agreement or any Supplemental Agreement with certain public entities have a value of at least \$100,000 that is paid wholly or partly from public funds; (d) the Agreement is not excepted under Tex. Gov. Code 2274 and (e) the purchasing public entity has determined that Vendor is not a sole-source provider or the purchasing public entity has not received any bids from a company that is able to provide this written verification, the following certification shall apply; otherwise, this certification is not required.

Vendor certifies that Vendor, or association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary parent company, or affiliate of these entities or associations, that exists to make a profit, does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this contract against a firearm entity or firearm trade association.

For purposes of this Agreement, "discriminate against a firearm entity or firearm trade association" shall mean, with respect to the entity or association, to: "(1) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (2) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (3) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association."

"Discrimination against a firearm entity or firearm trade association" does not include: "(1) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (2) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency, or for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association."

When applicable, does Vendor certify?

Yes, Vendor certifies

Certification Regarding Termination of Contract for Non-Compliance (Tex. Gov. Code 552.374)

If Vendor is not a governmental body and (a) this Agreement or any Supplemental Agreement with a public entity has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by certain public entities; or (b) this Agreement or any Supplemental Agreement results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by certain public entities in their fiscal year, the following certification shall apply; otherwise, this certification is not required.

As required by Tex. Gov. Code 552.374, the following statement is included in the RFP and the Agreement (unless the Agreement is (1) related to the purchase or underwriting of a public security; (2) is or may be used as collateral on a loan; or (3) proceeds from which are used to pay debt service of a public security of loan): "The requirements of Subchapter J, Chapter 552, Government Code, may apply to this solicitation and Agreement and the Vendor agrees that this Agreement and any applicable Supplemental Agreement can be terminated if Vendor knowingly or intentionally fails to comply with a requirement of that subchapter."

Pursuant to Chapter 552 of the Texas Government Code, Vendor certifies that Vendor shall: (1) preserve all contracting information related to this Agreement as provided by the records retention requirements applicable to TIPS or the purchasing TIPS Member for the duration of the Agreement; (2) promptly provide to TIPS or the purchasing TIPS Member any contracting information related to the Agreement that is in the custody or possession of Vendor on request of TIPS or the purchasing TIPS Member; and (3) on completion of the Agreement, either (a) provide at no cost to TIPS or the purchasing TIPS Member all contracting information related to the Agreement that is in the custody or possession of Vendor, or (b) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to TIPS or the purchasing TIPS Member.

When applicable, does Vendor certify?

Yes, Vendor certifies

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Certification Regarding Prohibition of Boycotting Certain Energy Companies (Tex. Gov. Code Section H, Item 5.)

Section H, Item 5.

If (a) Vendor is not a sole proprietorship; (b) Vendor has ten (10) or more full-time employees; and (c) this Agreement or any Supplemental Agreement with certain public entities has a value of \$100,000 or more that is to be paid wholly or partly from public funds, the following certification shall apply; otherwise, this certification is not required.

Vendor certifies that Vendor, or any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of these entities or business associations, if any, do not boycott energy companies and will not boycott energy companies during the term of the Agreement or any applicable Supplemental Agreement.

For purposes of this certification the term "company" shall mean an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, that exists to make a profit.

The term "boycott energy company" shall mean "without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (a) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law, or (b) does business with a company described by paragraph (a)." (See Tex. Gov. Code 809.001).

When applicable, does Vendor certify?

Yes, Vendor certifies

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Felony Conviction Notice - Texas Education Code 44.034

Texas Education Code, Section 44.034, Notification of Criminal History, Subsection (a), states, "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Subsection (b) states, "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

Subsection (c) states, "This section does not apply to a publicly held corporation."

Vendor certifies one of the following:

- A. My firm is a publicly held corporation; therefore, this reporting requirement is not applicable, or;
- B. My firm is not owned nor operated by anyone who has been convicted of a felony, or;
- C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony.

If Vendor responds with Option (C), Vendor is required to provide information in the next attribute.

B. My firm is not owned nor operated by felon.

6 1 Felony Conviction Notice - Texas Education Code 44.034 - Continued

Section H, Item 5.

If Vendor selected Option (C) in the previous attribute, Vendor must provide the following information:

- 1. Name of Felon(s)
- 2. The Felon(s) title/role in Vendor's entity, and
- 3. Details of Felon(s) Conviction(s).

No response

6 2 Conflict of Interest Questionnaire Requirement

Vendor agrees that it has looked up, read, and understood the current version of Texas Local Government Code Chapter 176 which generally requires disclosures of conflicts of interests by Vendor hereunder if Vendor:

- (1) has an employment or other business relationship with a local government officer of our local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of our local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of our local governmental entity.
- (4) Any other financial, commercial, or familial relationship with our local government that may warrant reporting under this statute.

Does Vendor certify that it has NO reportable conflict of interest?

Yes, Vendor certifies - VENDOR HAS NO CONFLICT

6 3 Conflict of Interest Questionnaire Requirement - Form CIQ - Continued

If you responded "No, Vendor does not certify - VENDOR HAS CONFLICT" to the Conflict of Interest Questionnaire question above, you are required by law to fully execute and upload the form attachment entitled "Conflict of Interest Questionnaire - Form CIQ." If you accurately claimed no conflict above, you may disregard the form attachment entitled "Conflict of Interest Questionnaire - Form CIQ."

Have you uploaded this form if applicable?

Not Applicable

6 4 Upload of Current W-9 Required

Vendors are required by TIPS to upload a current, accurate W-9 Internal Revenue Service (IRS) Tax Form for your entity. This form will be utilized by TIPS to properly identify your entity.

You must confirm that you are responding to this solicitation under your legal entity name. Go now to your Supplier Profile in this eBid System and confirm that your profile reflects your "Legal Name" as it is listed on your W9.

6 5 Regulatory Good Standing Certification

Does Vendor certify that its entity is in good standing with all government entities and agencies, whether local, state, or federal, that regulate any aspect of Vendor's field of work or business operations?

If Vendor selects "No", Vendor must provide explanation on the following attribute question.

Yes, Vendor certifies

6 Regulatory Good Standing Certification - Explanation - Continued

Section H, Item 5.

If Vendor responded to the prior attribute that "No", Vendor is not in good standing, Vendor must provide an explanation of that lack of good standing here for TIPS consideration.

No response

6 7 Instructions Only - Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
Instructions for Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

1. By answering yes to the next Attribute question below, the vendor and prospective lower tier participant is providing the certification set out herein in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and / or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participants," "person," "primary covered transaction," "principal," "proposal" and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and / or debarment.

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Suspension or Debarment Certification

Section H, Item 5.

Read the instructions in the attribute above and then answer the following accurately.

Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

Does Vendor certify?

Yes, Vendor certifies

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Vendor Certification of Criminal History - Texas Education Code Chapter 22

Texas Education Code Chapter 22 requires entities that contract with school districts to provide services to obtain criminal history record information regarding covered employees. Contractors must certify to the district that they have complied. Covered employees with disqualifying criminal histories are prohibited from serving at a school district pursuant to this law.

DEFINITIONS

Covered employees: Employees of a contractor or subcontractor who have or will have continuing duties related to the service to be performed at the District and have or will have direct contact with students. The District will be the final arbiter of what constitutes direct contact with students.

Disqualifying criminal history: Any conviction or other criminal history information designated by the District, or one of the following offenses, if at the time of the offense, the victim was under 18 or enrolled in a public school: (a) a felony offense under Title 5, Texas Penal Code; (b) an offense for which a defendant is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure; or (c) an equivalent offense under federal law or the laws of another state.

Vendor certifies:

NONE (Section A): None of the employees of Vendor and any subcontractors are covered employees, as defined above. If this box is checked, I further certify that Contractor has taken precautions or imposed conditions to ensure that the employees of Vendor and any subcontractor will not become covered employees. Contractor will maintain these precautions or conditions throughout the time the contracted services are provided under this procurement.

OR

SOME (Section B): Some or all of the employees of Vendor and any subcontractor are covered employees. If this box is checked, I further certify that: (1) Vendor has obtained all required criminal history record information regarding its covered employees. None of the covered employees has a disqualifying criminal history; (2) If Vendor receives information that a covered employee subsequently has a reported criminal history, Vendor will immediately remove the covered employee from contract duties and notify the purchasing entity in writing within 3 business days; (3) Upon request, Vendor will provide the purchasing entity with the name and any other requested information of covered employees so that the purchasing entity may obtain criminal history record information on the covered employees; (4) If the purchasing entity objects to the assignment of a covered employee on the basis of the covered employee's criminal history record information, Vendor agrees to discontinue using that covered employee to provide services at the purchasing entity.

Which option does Vendor certify?

Yes, I certify - NONE (Section A)

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Certification Regarding "Choice of Law" Terms with TIPS Members

Section H, Item 5.

Vendor agrees that if any "Choice of Law" provision is included in any sales agreement/contract between Vendor and a TIPS Member, that clause must provide that the "Choice of Law" applicable to the sales agreement/contract between Vendor and TIPS Member shall be the state where the TIPS Member operates unless the TIPS Member expressly agrees otherwise. Any TIPS Sale Supplemental Agreement containing a "Choice of Law" clause that conflicts with these terms is rendered void and unenforceable.

If Vendor disagrees, after this solicitation legally closes and TIPS begins evaluating Vendor's file, TIPS will provide Vendor with a draft Word Document version of the Vendor Agreement and will be instructed to include all requested negotiations as redline edits for TIPS consideration.

Does Vendor agree?

Yes, Vendor agrees

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Certification Regarding "Venue" Terms with TIPS Members

Vendor agrees that if any "Venue" provision is included in any sales agreement/contract between Vendor and a TIPS Member, that clause must provide that the "Venue" for any litigation or alternative dispute resolution is shall be in the state and county where the TIPS Member operates unless the TIPS Member expressly agrees otherwise. Any TIPS Sale Supplemental Agreement containing a "Venue" clause that conflicts with these terms is rendered void and unenforceable.

If Vendor disagrees, after this solicitation legally closes and TIPS begins evaluating Vendor's file, TIPS will provide Vendor with a draft Word Document version of the Vendor Agreement and will be instructed to include all requested negotiations as redline edits for TIPS consideration.

Does Vendor agree?

Yes, Vendor agrees

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Certification Regarding "Automatic Renewal" Terms with TIPS Members

Vendor agrees that no TIPS Sale may incorporate an "Automatic Renewal" clause that exceeds month to month terms with which the TIPS Member must comply. All renewal terms incorporated into a TIPS Sale Supplemental Agreement shall only be valid and enforceable when Vendor received written confirmation of acceptance of the renewal term from the TIPS Member for the specific renewal term. The purpose of this clause is to avoid a TIPS Member inadvertently renewing a Supplemental Agreement during a period in which the governing body of the TIPS Member has not properly appropriated and budgeted the funds to satisfy the Agreement renewal. Any TIPS Sale Supplemental Agreement containing an "Automatic Renewal" clause that conflicts with these terms is rendered void and unenforceable.

If Vendor disagrees, after this solicitation legally closes and TIPS begins evaluating Vendor's file, TIPS will provide Vendor with a draft Word Document version of the Vendor Agreement and will be instructed to include all requested negotiations as redline edits for TIPS consideration.

Does Vendor agree?

Yes, Vendor agrees

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Certification Regarding "Indemnity" Terms with TIPS Members

Section H, Item 5.

Texas and other jurisdictions restrict the ability of governmental entities to indemnify others. Vendor agrees that any "Indemnity" provision which requires the TIPS Member to indemnify Vendor is included in any sales agreement/contract between Vendor and a TIPS Member, that clause must either be stricken or qualified by including that such indemnity is only permitted, "to the extent permitted by the laws and constitution of [TIPS Member's State]" unless the TIPS Member expressly agrees otherwise. Any TIPS Sale Supplemental Agreement containing an "Indemnity" clause that conflicts with these terms is rendered void and unenforceable.

If Vendor disagrees, after this solicitation legally closes and TIPS begins evaluating Vendor's file, TIPS will provide Vendor with a draft Word Document version of the Vendor Agreement and will be instructed to include all requested negotiations as redline edits for TIPS consideration.

Does Vendor agree?

Yes, Vendor agrees

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Certification Regarding "Arbitration" Terms with TIPS Members

Vendor agrees that if any "Arbitration" provision is included in any TIPS Sale agreement/contract between Vendor and a TIPS Member, that clause may **not** require that the arbitration is mandatory or binding. Vendor agrees that if any "Arbitration" provision is included in any TIPS Sale agreement/contract between Vendor and a TIPS Member, that clause provides for only voluntary and non-binding arbitration unless the TIPS Member expressly agrees otherwise. Any TIPS Sale Supplemental Agreement containing a "Arbitration" clause that conflicts with these terms is rendered void and unenforceable.

If Vendor disagrees, after this solicitation legally closes and TIPS begins evaluating Vendor's file, TIPS will provide Vendor with a draft Word Document version of the Vendor Agreement and will be instructed to include all requested negotiations as redline edits for TIPS consideration.

Does Vendor agree?

Yes, Vendor agrees

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2 CFR PART 200 AND FEDERAL CONTRACT PROVISIONS EXPLANATION

TIPS and TIPS Members will sometimes seek to make purchases with federal funds. In accordance with 2 C.F.R. Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (sometimes referred to as "EDGAR"), Vendor's response to the following questions labeled "2 CFR Part 200 or Federal Provision" will indicate Vendor's willingness and ability to comply with certain requirements which may be applicable to TIPS purchases paid for with federal funds, if accepted by Vendor.

Your responses to the following questions labeled "2 CFR Part 200 or Federal Provision" will dictate whether TIPS can list this awarded contract as viable to be considered for a federal fund purchase. **Failure to certify all requirements labeled "2 CFR Part 200 or Federal Provision" will mean that your contract is listed as not viable for the receipt of federal funds. However, it will not prevent award.**

If you do enter into a TIPS Sale when you are accepting federal funds, the contract between you and the TIPS Member will likely require these same certifications.

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2 CFR Part 200 or Federal Provision - Vendor Willingness to Accept Federal Funds

Section H, Item 5.

This certification is not required by federal law. However, TIPS Members are public entities and qualifying non-profits which often receive federal funding and grants (ESSER, CARES Act, EDGAR, etc.) **Accepting such funds often requires additional required certifications and responsibilities for Vendor.** The following attribute questions include these required certifications. Your response to this questions, the following certifications, and other factors will determine whether your contract award will be deemed as eligible for federal fund expenditures by TIPS Members.

If awarded, is Vendor willing to accept payment for goods and services offered under this contract paid for by a TIPS Member with federal funds?

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2 CFR Part 200 or Federal Provision - Contracts

Contracts for more than the simplified acquisition threshold currently set at \$250,000 (2 CFR § 200.320), which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Notice: Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members reserve all rights and privileges under the applicable laws and regulations with respect to this procurement in the event of breach of contract by either party.

Does vendor agree?

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2 CFR Part 200 or Federal Provision - Termination

Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members reserve the right to terminate any agreement in excess of \$10,000 resulting from this procurement process for cause after giving the vendor an appropriate opportunity and up to 30 days, to cure the causal breach of terms and conditions. ESC Region 8 and TIPS Members reserve the right to terminate any agreement in excess of \$10,000 resulting from this procurement process for convenience with 30 days notice in writing to the awarded vendor. The Vendor would be compensated for work performed and goods procured as of the termination date if for convenience of the ESC Region 8 and TIPS Members. Any award under this procurement process is not exclusive and the ESC Region 8 and TIPS reserves the right to purchase goods and services from other vendors when it is in the best interest of the ESC Region 8 and TIPS.

Does vendor agree?

7 2 CFR Part 200 or Federal Provision - Clean Air Act

Section H, Item 5.

Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Pursuant to the Clean Air Act, et al above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members require that the proposer certify that during the term of an award by the ESC Region 8 and TIPS Members resulting from this procurement process the vendor agrees to comply with all of the above regulations, including all of the terms listed and referenced therein.

Does vendor agree?

Yes, Vendor agrees

8 2 CFR Part 200 or Federal Provision - Byrd Anti-Lobbying Amendment

Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members require the proposer certify that during the term and during the life of any contract with ESC Region 8 and TIPS Members resulting from this procurement process the vendor certifies that it is in compliance with all applicable provisions of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352).

Does Vendor agree?

Yes, Vendor agrees

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2 CFR Part 200 or Federal Provision - Byrd Anti-Lobbying Amendment - Continued

Section H, Item 5.

Applicable to Grants, Subgrants, Cooperative Agreements, and Contracts Exceeding \$100,000 in Federal Funds

Submission of this certification is a prerequisite for making or entering into this transaction and is imposed by the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all covered subawards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

Does Vendor certify that it has NOT lobbied as described herein?

Yes, Vendor certifies - NO Reportable Lobbying

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2 CFR Part 200 or Federal Provision - Byrd Anti-Lobbying Amendment - Continued

If you answered "No, Vendor does not certify - Lobbying to Report" to the above attribute question, you must download, read, execute, and upload the attachment entitled "Disclosure of Lobbying Activities - Standard Form - LLL", as instructed, to report the lobbying activities you performed or paid others to perform.

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2 CFR Part 200 or Federal Provision - Federal Rule

Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000)

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members requires the proposer certify that in performance of the contracts, subcontracts, and subgrants of amounts in excess of \$250,000, the vendor will be in compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

Does vendor certify compliance?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Procurement of Recovered Materials

Section H, Item 5.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include: (1) procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; (2) procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Does vendor certify that it is in compliance with these provisions?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Rights to Inventions

If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

Pursuant to the above, when the foregoing applies to ESC Region 8 and TIPS Members, Vendor certifies that during the term of an award resulting from this procurement process, Vendor agrees to comply with all applicable requirements as referenced in the Federal rule above.

Does vendor certify?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Domestic Preferences for Procurements and Com
Buy America Provisions

Section H, Item 5.

As appropriate and to the extent consistent with law, TIPS Member Customers, to the greatest extent practicable under a Federal award, may provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). Vendor agrees that the requirements of this section will be included in all subawards including all contracts and purchase orders for work or products under this award, to the greatest extent practicable under a Federal award. For purposes of 2 CFR Part 200.322, "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stag through the application of coatings, occurred in the United States. Moreover, for purposes of 2 CFR Part 200.322, "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum, plastics and polymer-based products such as polyvinyl chloride pipe, aggregates such as concrete, glass, including optical fiber, and lumber.

Vendor certifies that it is in compliance with all applicable provisions of the Buy America Act. Purchases made in accordance with the Buy America Act must still follow the applicable procurement rules calling for free and open competition. For purposes of 2 CFR Part 200.322,

"Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

"Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, Vendor certifies that to the greatest extent practicable Vendor will provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products).

Does Vendor Certify?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Ban on Foreign Telecommunications

ESC 8 and TIPS Members are prohibited from obligating or expending Federal financial assistance, to include loan or grant funds, to: (1) procure or obtain, (2) extend or renew a contract to procure or obtain, or (3) enter into a contract (or extend or renew a contract) to procure or obtain, equipment, services, or systems that use "covered telecommunications" equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. "Covered telecommunications" equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), and physical security surveillance of critical infrastructure and other national security purposes, and video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities) for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes detailed in 2 CFR § 200.216.

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, Vendor certifies that Vendor will not purchase equipment, services, or systems that use "covered telecommunications", as defined by 2 CFR §200.216 equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

Does vendor certify?

Yes, Vendor certifies

8 2 CFR Part 200 or Federal Provision - Contract Cost & Price

Section H, Item 5.

For contracts more than the simplified acquisition threshold currently set at \$250,000, a TIPS Member may, in very rare circumstances, be required to negotiate profit as a separate element of the price pursuant to 2 C.F.R. 200.324(b). Under those circumstances, Vendor agrees to provide information and negotiate with the TIPS Member regarding profit as a separate element of the price. However, Vendor certifies that the total price charged by the Vendor shall not exceed the Vendor's TIPS pricing and pricing terms proposed.

Does Vendor certify?

Yes, Vendor certifies

8 2 CFR Part 200 or Federal Provision - Equal Employment Opportunity

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members on any federally assisted construction contract, the equal

opportunity clause is incorporated by reference here.

Does Vendor Certify?

Yes, Vendor certifies

9 2 CFR Part 200 or Federal Provision - Davis Bacon Act Compliance

Texas Statute requires compliance with Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146- 3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non- Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

Pursuant to state and federal requirements, Vendor certifies that it will be in compliance with all applicable Davis-Bacon Act provisions if/when applicable.

Does Vendor certify?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Contract Work Hours and Safety Standards

Section H, Item 5.

Where applicable, all contracts awarded by ESC 8 and TIPS Members in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, Vendor certifies that during the term of an award for all contracts resulting from this procurement process, Vendor will be in compliance with all applicable provisions of the Contract Work Hours and Safety Standards Act.

Does Vendor certify?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - FEMA Fund Certification & Certification of Access to Records

If and when Vendor accepts a TIPS purchase paid for in full or part with FEMA funds, Vendor certifies that:

(1) Vendor agrees to provide the TIPS Member, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to and rights to reproduce any books, documents, papers, and records of the Contractor which are directly pertinent to this contract, or any contract resulting from this procurement, for the purposes of making audits, examinations, excerpts, and transcriptions. This right also includes timely and reasonable access to Vendor's personnel for the purpose of interview and discussion relating to such documents. Vendor agrees to provide the FEMA Administrator or an authorized representatives access to construction or other work sites pertaining to the work being completed under the contract. Vendor acknowledges and agrees that no language in this contract or the contract with the TIPS Member is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

(2) The Vendor shall not use the Department of Homeland Security's seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

(3) The Vendor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

(4) The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

(5) The Vendor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Vendor's actions pertaining to this contract.

Does Vendor certify?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Certification of Compliance with the Energy Policy and Conservation Act

When appropriate and to the extent consistent with the law, Vendor certifies that it will comply with the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq; 49 C.F.R. Part 18) and any state mandatory standards and policies relating to energy efficiency which are contained in applicable state energy conservation plans issued in compliance with the Act.

Does Vendor certify?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Certification of Compliance with Never Contract with the Enemy

Section H, Item 5.

Where applicable, all contracts awarded by ESC 8 and TIPS Members in excess of \$50,000.00, within the period of performance, and which are performed outside of the United States, including U.S. territories, are subject to the regulations implementing Never Contract with the Enemy in 2 CFR part 183. Per 2 CFR part 183, in the situation specified, ESC 8 and TIPS Members shall terminate any contract or agreement resulting from this procurement which violates the Never Contract with the Enemy regulation in 2 CFR part 183, including if Vendor is actively opposing the United States or coalition forces involved in a contingency operation in which members of the the Armed Forces are actively engaged in hostilities. Vendor certifies that it is neither an excluded entity under the System for Award Management (SAM) nor Federal Awardee Performance and Integrity Information System (FAPIIS) for any contract terminated due to Never Contract with the Enemy as a Termination for Material Failure to Comply.

Does Vendor certify?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Certification of Compliance with EPA Regulations

For contracts resulting from this procurement, in excess of \$100,000.00 and paid for with federal funds, Vendor certifies that Vendor will comply with all applicable standards, orders, regulations, and/or requirements issued pursuant to the Clean Air Act of 1970, as amended (42 U.S.C. 1857(h)), Section 508 of the Clean Water Act, as amended (33 U.S.C. 1368), Executive Order 117389 and Environmental Protection Agency Regulation, 40 CFR Part 15.

Does Vendor certify?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Record Retention Requirements

For contracts resulting from this procurement, paid for by ESC 8 or TIPS Members with federal funds, Vendor certifies that Vendor will comply with the record retention requirements detailed in 2 CFR § 200.334. Vendor certifies that Vendor will retain all records as required by 2 CFR § 200.334 for a period of three years after final expenditure or financial reports, as applicable, and all other pending matters are closed.

Does Vendor certify?

Yes, Vendor certifies

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2 CFR Part 200 or Federal Provision - Subcontracting and Affirmative Steps for Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms.

Do you ever anticipate the possibility of subcontracting any of your work under this award if you are successful?

If you respond "Yes", you must respond to the following attribute question accurately. If you respond "No", you may skip the following attribute question.

NO

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2 CFR Part 200 or Federal Provision - If "Yes" Response to Above Attribute - Continued
Subcontracting and Affirmative Steps for Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms.

Section H, Item 5.

Only respond to this question if you responded "Yes" to the attribute question directly above. Skip this question if you responded "No" to the attribute question directly above.

Does Vendor certify that it will follow the following affirmative steps? Federal Regulation 2 CFR §200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms. (a)The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce ; and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs(1) through (5) of this section.

Does Vendor certify?

Yes, Vendor certifies

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ACKNOWLEDGMENT & BINDING CORPORATE AUTHORITY

By submitting this proposal, the individual(s) submitting on behalf of the Vendor certify that they are authorized by Vendor to complete and submit this proposal on behalf of Vendor and that this proposal was duly submitted on behalf of Vendor by authority of its governing body, if any, and within the scope of its corporate powers.

Vendor further certifies that it has read, examined, and understands all portions of this solicitation including but not limited to all attribute questions, attachments, solicitation documents, bid notes, and the Vendor Agreement(s). Vendor certifies that, if necessary, Vendor has consulted with counsel in understanding all portions of this solicitation.

TIPS 230902 Permanent Modular Buildings JOC	Palomar Modular Buildings LLC
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TIPS REFERENCE FORM

All requested information must be typed and uploaded in Excel format. TIPS will reach out via the emails provided so please ensure that they are typed and accurate. Do not handwrite or upload in any format other than Excel. Emails provided must be current and active. Do not include TIPS/Region 8 employees as a reference. The entities that you provide must be paying customers, not

You must provide below at least five (5) references from five different entity customers, preferably government or non-profit entities, who have purchased goods or services from your vendor entity within the last three years.

Customer Entity Name	Customer Contact Name	Valid Contact Email	Valid Contact Phone
Ouachita River School District	Jerrall Strasner	jstrasner@orsd.k12.ar.us	(479) 394-2348
Granger ISD	Mike Abbott	mabbott@granger.txed.net	(512) 859-2173
Educaiton Service Center, Region 20- Devine ISD	Angela Lee	angela.lee@esc20.net	(210) 370-5625
Compass Academy	Jason Inman	jinman@mycacs.org	(432) 272-1836
Conroe ISD	Marshall Schroeder	mshroeder@conroeisd.net	(832) 592-8890

TIPS CONTRACT 230902

REQUIRED CONFIDENTIALITY CLAIM FORM

(VENDOR MUST COMPLETE THE FOLLOWING VENDOR INFORMATION)

Vendor Entity Name: Palomar Modular Buildings LLC

Vendor Authorized Signatory Name: John Martin

Vendor Authorized Signatory Title: President

Vendor Authorized Signatory Email: jmartin@palomarmodular.com

Vendor Address: 505 N I-35 E

City: DeSoto State: TX Zip Code: 75115

Vendor agrees that it is voluntarily providing its data (including but not limited to: Vendor information, Vendor documentation, Vendor’s proposal, Vendor pricing submitted or provided to TIPS, TIPS contract documents, TIPS correspondence, Vendor logos and images, Vendor’s contact information, Vendor’s brochures and commercial information, Vendor’s financial information, Vendor’s certifications, and any other Vendor information or documentation submitted to TIPS by Vendor and its agents) (Hereinafter, “Vendor Data”) to TIPS. Vendor understands and agrees that TIPS is a government entity subject to public information laws including but not limited to Texas Government Code (TGC) Chapter 552. Vendor agrees that regardless of confidentiality designations herein, Vendor’s submission of a proposal constitutes Vendor’s consent to the disclosure and release of Vendor’s Data and comprehensive proposal, including any information deemed confidential or proprietary herein, to and by TIPS Members.

Notwithstanding the foregoing permissible release to TIPS Members, if Vendor considers any portion of Vendor’s proposal to be otherwise confidential and not subject to public disclosure pursuant to public information laws, including but not limited to TGC Chapter 552, Vendor must properly execute **Option 1 only** below, attach to this PDF all documents and information that Vendor deems confidential, and upload the consolidated documentation. Regardless of the Option selected below, this form must be completed and uploaded to the “Response Attachments” section of the eBid System entitled “Required Confidentiality Claim Form.” Execution and submission of this form is the sole indicator of whether Vendor considers any Vendor Data confidential in the event TIPS receives a request, a Public Information Request, or subpoena. If TIPS receives a request, any responsive documentation not deemed confidential by you through proper execution of Option 1 of this form will be automatically released. For information deemed confidential by you through proper execution of Option 1 of this form, TIPS will follow procedures of controlling statute(s) regarding withholding that documentation and shall not be liable for any release of information required by law, including Attorney General opinion or court order.

(VENDOR MUST COMPLETE ONE OF THE TWO OPTIONS AND UPLOAD IN THE EBID SYSTEM)

OPTION 1 – DESIGNATING CONFIDENTIAL MATERIALS YES, VENDOR HAS ATTACHED CONFIDENTIAL MATERIALS

OPTION 2 – WAIVER OF CONFIDENTIALITY – NO, VENDOR HAS NOT ATTACHED CONFIDENTIAL MATERIALS

(Confirm each bullet point and sign below)

- Vendor claims some Vendor Data confidential to the extent permitted by TGC Chapter 552 and other applicable law.
- Vendor attached to this PDF all potentially confidential Vendor Data and listed the number of attached pages below.
- Vendor’s authorized signatory has signed below and shall upload this document in the proper location in the eBid System.
- Vendor agrees that TIPS shall not be liable for any release of confidential information required by law.

(Confirm each bullet point and sign below)

By signing for Option 2 below, Vendor expressly waives any confidentiality claim for all Vendor Data submitted in relation to this proposal and resulting contract. Vendor confirms that TIPS may freely release Vendor Data submitted in relation to this proposal or resulting contract to any requestor. Vendor agrees that TIPS shall not be responsible or liable for any use or distribution of Vendor Data by TIPS or TIPS Members.

- Vendor’s authorized signatory has signed below and shall upload this document in the proper location in the eBid System.
- Vendor agrees that TIPS shall not be liable for any release of confidential information required by law.

Number of pages attached deemed confidential 5 Pricing Sheets

Authorized Signature: [Signature]

Authorized Signature: _____



October 11, 2023

RE: Bonding Capacity Letter for Palomar Modular Buildings, LLC

To Whom It May Concern:

Ward & Moore Insurance Services serves as the bonding agent for Palomar Modular Buildings, LLC. Their bonds are written through SiriusPoint America Insurance Company which maintains an AM Best Rating of A-("Excellent") and a U.S. Treasury Department listing of \$50,000,000+.

Our agency has provided numerous bonds on behalf of Palomar Modular Buildings, LLC, on which they have performed exceptionally well. Further, we have approved single project bonds for Palomar, up to the \$10,000,000 range with an aggregate total of \$20,000,000.

Should you decide to award a satisfactory contract to Palomar Modular Buildings, LLC, we are prepared to issue 100% performance and payment bonds on their behalf, at the request of Palomar and subject to standard underwriting requirements.

Please note this letter is not an assumption of liability, nor is it a bid bond or a performance bond. It is issued solely as a bonding reference at the request of our client.

Ward & Moore Insurance Services and SiriusPoint America Company are each pleased to highly recommend the construction services of Palomar Modular Buildings, LLC. I trust this information will meet your pre-qualification requirements. Should you need additional information, please feel free to contact me at (214) 221-8300.

Very truly yours,

SiriusPoint America Company

Douglas Moore
Attorney-in-fact

VENDOR SUPPLEMENTAL INFORMATION

Section H, Item 5.

TIPS permits Vendors to submit supplemental documentation and information (“Vendor Supplemental Information”) with their proposals to display to TIPS Member Customers their qualifications, offerings, and special terms. The following documents are for marketing and informational purposes only. They are not terms of Vendor’s TIPS Contract. If the Vendor Supplemental Information herein contains any warranties, terms, or conditions, the TIPS Member Customer may review and determine whether or not those are applicable and acceptable for any TIPS purchase before proceeding. If the Vendor Supplemental Information contains any licenses or certificates, TIPS encourages the TIPS Member Customer to ensure current accuracy at the time of a TIPS purchase.



Registered Manufacturing facilities must be certified by the State of Texas prior to constructing units for Texas.

Information on certification requirements for Texas can be found on our website at:

<http://www.tdlr.texas.gov/ihb/041IHB.htm>

PALOMAR BUILDINGS LLC
ATTN: LICENSING DIVISION
PO BOX 909
DESOTO TX 75123-0909

Registration Expires:
11/23/2023



Registration Number:
IHM-356

Texas Department of Licensing and Regulation

HEREBY ACKNOWLEDGES THAT

PALOMAR BUILDINGS LLC

505 N I-35 EAST - Desoto, TX

is registered as an Industrialized Housing and Buildings

MANUFACTURER

For consumer complaints please contact:

TEXAS DEPARTMENT OF LICENSING AND REGULATION

P.O. Box 12157 - Austin, TX 78701 - 1-800-803-9202 (in Texas) or (512) 539-5600

Issued on:
9/15/2022


Mike Arismendez, Jr., Executive Director



IMPORTANT NOTE:

PRIOR TO INSTALLING A MODULAR HOME OR BUILDING PLEASE READ CAREFULLY

The Building Site Inspection Program. This outlines the responsibilities of the industrialized builder for the installation of industrialized housing and buildings (IHB). A copy of this document may be downloaded from the TDLR web site at:

<http://www.tdlr.texas.gov/ihb/bldgsite.htm>

The Builder Responsibilities, IHB Bulletin #10-001. Provided with this certificate and can be found on our website at:

<http://www.tdlr.texas.gov/ihb/pdf/ihb002.pdf>

PALOMAR MODULAR BUILDINGS LLC
ATTN: LICENSING DIVISION
P O BOX 909
DESOTO TX 75123-0909

Registration Expires:
4/28/2024



Registration Number:
IHB- 1431

Texas Department of Licensing and Regulation

HEREBY ACKNOWLEDGES THAT
PALOMAR MODULAR BUILDINGS LLC

505 N 1-35 EAST - DESOTO, TX

is registered as an Industrialized Housing and Buildings

INDUSTRIALIZED BUILDER

For consumer complaints please contact:
TEXAS DEPARTMENT OF LICENSING AND REGULATION
P.O. Box 12157 - Austin, TX 78701 - 1-800-803-9202 (in Texas) or (512) 539-5600

Issued on:
3/15/2023


Mike Arismendez, Jr., Executive Director



New Mexico E-Services for Contractor Licensing



[Home Page](#)

Company Details

Company Name	PALOMAR MODULAR BUILDING LLC	License Number	370848
Phone Number	4697270727	License Status	Active
Issue Date	07/18/2011	Expiry Date	07/31/2026
Volume	\$1000000.00 +		

Principal Place of Business Address

P.O. BOX 909			
City	DESOTO		
State	TX	Zip Code	75123

QP Details

Name	Certificate No	Classification	Attach Date	Status
<u>JAMES N. CLAYTON</u>	370847	GB98	07/18/2011	Attached

[Back to search page](#) [Back](#)

License No. 0334340624

ID #55902

State of Arkansas
Commercial Contractors Licensing Board

PALOMAR MODULAR BUILDINGS LLC
PO BOX 909
DESOTO, TX 75123

PALOMAR MODULAR BUILDINGS LLC

This is to Certify That

_____ is duly licensed under the provisions of Ark. Code Ann. § 17-25-101 et. seq. as amended and is entitled to practice Contracting in the State of Arkansas within the following classifications/specialties:

BUILDING
- (COMMERCIAL & RESIDENTIAL)

This contractor has an unlimited suggested bid limit.

from June 23, 2023 **until** June 30, 2024 **when this Certificate expires.**

Witness our hands of the Board, dated at North Little Rock, Arkansas:



Ray [Signature]

CHAIRMAN

Michelle [Signature]

SECRETARY

June 23, 2023 - dsa

License Number: **8604**

Class: M-9A

License Issue Date: March 27, 2023

Date License Renewal is due: APR 5, 2024

Palomar Modular Buildings LLC
505 N. I-35E
DeSoto TX 75123

FOR: 505 N. I-35 E DeSoto TX 75115

STATE OF ARIZONA
Department of Housing
1110 West Washington, Suite 280
Phoenix, AZ 85007

LICENSE CERTIFICATE



ADOH 004 (6/16)



COLORADO
Department of Local Affairs
Division of Housing

This is to certify that
Palomar Modular Buildings LLC
DeSoto, TX 75123

is a(n) , having met all the statutory requirements for
the period ending 4/1/24.



NEW ID Number: 000274
Previous ID Number: 274
Date: 5/10/23

Brian P. Kemp
Governor



Christo Section H, Item 5.
Commissioner

March 1, 2023

Palomar Modular Buildings (Desoto, TX)
505 North I-35 East
Desoto, TX 75115

RE: Industrialized Buildings
Building System Approval No. 46213-E
Educational

Dear Manufacturer:

We are pleased to advise you that this office has approved the above-referenced building system manufactured in all plants approved by your third-party agency. This approval is for installation in all areas of Georgia, with the exception of those geographical areas restricted due to the information contained on the data plate attached to each unit. We wish to call your attention to the responsibilities that are reserved to local governing authorities and the Georgia Safety Fire Commissioner as contained in the Georgia Rules for Industrialized Buildings.

This approval expires 4/22/2024.

Sincerely,

Ted Miltiades

Ted Miltiades, Director
Construction Codes and
Industrialized Buildings
404-679-3118

TM/cp

cc: PFS Corporation
1507 Matts Pass
Cottage Grove, WI 53527-8962

60 Executive Park South, NE | Atlanta, GA 30329-2231 | 404-679-4940
www.dca.ga.gov | An Equal Opportunity Employer



State of Louisiana



State Licensing Board for Contractors

This is to Certify that:

PALOMAR MODULAR BUILDINGS LLC
P.O. Box 909
DeSoto, TX 75123

is duly licensed and entitled to practice the following classifications

BUILDING CONSTRUCTION



Witness our hand and seal of the Board dated,
Baton Rouge, LA 26th day of August 2023

Will B. M... ..
Director

Lee Mallett
Chairman

Andrew...
Treasurer

Expiration Date: August 25, 2024

License No: 55712

This License Is Not Transferrable

**Louisiana Office of State Fire Marshal
Industrialized Building
Certificate of Firm Registration**

The below named firm is hereby certified by and registered with the Office of State Fire Marshal

License Number: LAIB-M00127
Type: Manufacturer

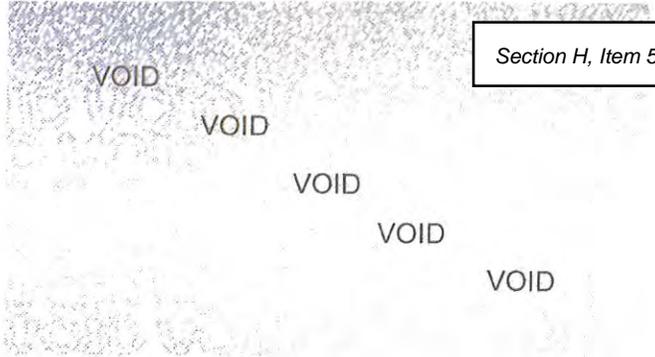
Firm Name: PALOMAR MODULAR BUILDINGS LLC
Mailing Address: PO BOX 909
DESOTO, TX 75123

Physical Location: 505 NORTH I-35 EAST
DESOTO, TX 75115

This license is not transferable and may be revoked or suspended with cause.

This License was issued on 11/1/2023 and will expire on 11/1/2024





PALOMAR MODULAR BUILDINGS LLC
505 North I-35 E
DESOTO, TX 75115

State of Tennessee

2302 13467523

*The Tennessee State Fire Marshal, by virtue of Tennessee Code Annotated Section
68-126-305 hereby certifies that:*

PALOMAR MODULAR BUILDINGS LLC
505 N I-35E
DESOTO, TX 75115

*is duly qualified to do business as a MODULAR BUILDING UNIT MANUFACTURER
within the State of Tennessee and that this license entitles the company to
engage in that business.*

ID NUMBER: 265
LIC STATUS: LICENSED
EXPIRATION DATE: June 30, 2024



IN-1313
DEPARTMENT OF
COMMERCE AND INSURANCE



CONTRACTOR'S LIMITED WARRANTY

PALOMAR MODULAR BUILDINGS LLC ("Contractor") hereby issues to _____ ("Owner") this Limited Warranty on its modular building(s) Serial Number(s) _____, delivered and installed at _____.

The Warranty Period begins on the date of beneficial occupancy, which has been established as _____ 20____, and extends for one (1) year.

If a manufacturer's warranty is provided by a material or equipment supplier for an item installed within the building (e.g., heating/cooling equipment, drinking fountain, etc.), Contractor will facilitate a warranty response from that particular supplier, commensurate with the supplier's written warranty.

Contractor's Warranty Obligations: If a problem occurs which Owner believes is covered by this Limited Warranty, Owner shall contact Contractor in writing to report its claim. Within a commercially reasonable time after receipt and investigation by Contractor of a notice of a valid warranty claim within the warranty period, Contractor will, at its option, repair, correct or replace defective workmanship, materials, or equipment as may be necessary to resolve the claim.

Exclusions: Contractor shall have no liability under this Limited Warranty under the following circumstances: (a) loss or damage not reported by Owner to Contractor within 30 days after Owner discovers, or should have discovered, the loss or damage; (b) loss or damage caused by defects in design or installation work Contractor did not perform, or materials Contractor did not supply or install; (c) loss or damage from improper operations, abuse, or normal wear and tear under normal usage; (d) loss or damages from negligence, improper maintenance, or alteration of the construction by parties other than Contractor; (e) loss or damage attributable to the activities of other construction operations within the vicinity of the building; (f) loss or damage which Owner, whenever feasible, has not taken timely action to minimize; (g) accidental loss or damage usually described as acts of God, including but not limited to fire, explosion, smoke, water escape, windstorm, hail, lightning, falling trees, aircraft and other vehicles, flood, and earthquake, except when the loss or damage is caused by failure of building components to comply with specified standards; (h) loss or damage from differential or ground settling or other soil movement, and (i) Contractor's nonreceipt of full and final payment.

THERE ARE NO EXPRESS WARRANTIES OTHER THAN THOSE LISTED AND DESCRIBED ABOVE. NO WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SHALL APPLY AFTER THE EXPRESS WARRANTY PERIODS STATED ABOVE. CONTRACTOR SHALL NOT BE LIABLE FOR LOSS OF REVENUE OR PROFITS, FAILURE TO REALIZE SAVINGS OR OTHER BENEFITS, OR ANY OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES CAUSED BY THE USE, MISUSE OR INABILITY TO USE THE BUILDING(S), REGARDLESS OF THE LEGAL THEORY ON WHICH THE CLAIM IS BASED.

PALOMAR MODULAR BUILDINGS LLC

By: _____
John Martin, President