



CITY COUNCIL REGULAR MEETING

Monday, April 13, 2026 – 6:00 PM

109 North Kaufman Street, Mount Vernon, Texas 75457

Our mission: to provide effective and fiscally responsible municipal services in a manner which promotes our high standard of community life.

Vision Statement Mount Vernon is a caring community committed to excellence and quality of life, aspiring to be the community of choice for ourselves, our children, and future generations – beautiful, clean, vibrant, and safe. We will strive to preserve our heritage, our friendly hometown atmosphere, and celebrate the diversity of all our citizens.

AGENDA

Call to Order

The Mayor will determine that a quorum of Councilpersons is present and Call the meeting to order.

Invocation and Pledges

Consent Agenda

Items on the Consent Agenda are approved by a single action of the Council, with such approval applicable to all items appearing on the Consent Agenda. A Council Member may request any item to be removed from the Consent Agenda and considered as a separate item.

1. Minutes - 03/09/2026
2. Financial Update
3. Consider Resolution No. 26-06, regarding the Interim Rate Adjustment Application of CenterPoint, for the twelve month period ending December 31, 2025.

Report on Items of Community Interest

The City Council will have an opportunity to address items of community interest.

Citizen Participation (3 minutes)

The Texas Open Meetings Act prohibits the Council from responding to any comments other than to refer the matter to a future agenda, to an existing policy, or to a staff person with specific information. Claims against the City, Council Members, or employees, as well as individual personnel appeals are not appropriate for citizens' forum.

Public Hearing

4. The purpose of this hearing is to hear evidence for or against a request made by Caribbean Basin Brokers, LLC for a request to provide assistance with Existing Business Structure Assistance, Business Recruitment Incentives, Job Creation/Retention Incentives, Business Retention Assistance for the property located at 257 Texas Highway 67, Mount Vernon, TX 75457
5. The purpose of this hearing is to hear evidence for or against a request made by Robert Rosales & Danial Jaweed, owners of D&R Investments, LLC dba Lucky 7 Tire & Auto to provide assistance with Existing Business Structure Assistance, for the business located at 1320 Holbrook Street, Mount Vernon, TX 75457

Items to be Considered

6. Consider Audit Report for Fiscal Year 2024-2025

7. Consider Resolution No. 26-07, authorizing approval of EDC Agreement with Caribbean Basin Brokers, LLC, for the property located at 257 Highway 67, Mount Vernon, TX, 75457
8. Consider Resolution 26-08, authorizing approval of EDC Agreement with Robert Rosales and Danial Jaweed, owners of D&A Investments, LLC, dba Lucky 7 Tire & Auto, for the business located at 1320 Holbrook Street, Mount Vernon, Texas, 75457
9. Consider request for appointments for the Housing Authority for the City of Mount Vernon
10. Consider Water Leak Adjustment Request for property located at 1109 Holbrook Street, Mount Vernon, Texas, 75457
11. Consider Water Leak Adjustment Request for the property located at 930 Texas Highway 37 South, Mount Vernon, Texas, 75457
12. Consider Resolution No. 26-09, updating authorized users to all accounts held at Alliance Bank
13. Consider Resolution No. 26-10, updating authorized users for accounts held at Lone Star Investments
14. Consider change in IT Services for the City

Discussion Items and Mayor/Council/City Administrator Reports

Presiding Officer to Adjourn the City Council Meeting

Notes to the Agenda

The Council reserves the right to retire into executive session under Sections 551.071/551.074 – of the Texas Open Meetings Act concerning any of the items listed on this Agenda, whenever it is considered necessary and legally justified under the Open Meetings Act.

Persons with disabilities who plan to attend this meeting and who may need assistance should contact the City Secretary at 903-537-2252 two working days prior to the meeting so that appropriate arrangements can be made.

The City of Mount Vernon regular meeting is the second Monday of each month at 6:00 pm in Council Chambers. Any individual desiring official action from the Council should submit a request to the office of the City Administrator not later than fifteen (15) days prior to the Council meeting.

CERTIFICATION

I do hereby certify that this Public Meeting Notice was posted at the front entrance of City Hall located at 109 N Kaufman St., Mount Vernon, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on:

Date: 04/07/2026 Time: 9:45 pm

Angie Pike

Angie Pike,
City Secretary



CITY COUNCIL REGULAR MEETING

Monday, March 09, 2026 – 6:00 PM

109 North Kaufman Street, Mount Vernon, Texas 75457

Our mission: to provide effective and fiscally responsible municipal services in a manner which promotes our high standard of community life.

Vision Statement Mount Vernon is a caring community committed to excellence and quality of life, aspiring to be the community of choice for ourselves, our children, and future generations – beautiful, clean, vibrant, and safe. We will strive to preserve our heritage, our friendly hometown atmosphere, and celebrate the diversity of all our citizens.

MINUTES

Call to Order

Mayor Hyman called the meeting to order at 6:02 pm

Present

Mayor Brad Hyman, Mayor Pro Tem Mark Huddleston, Council Member Harold Cason, Council Member Mary Keys
Council Member Martin Carrascosa

Absent

Council Member Rebecca Bailey

Staff Present

City Administrator Craig Lindholm, City Secretary Angie Pike

Invocation and Pledges

Invocation led by City Administrator Lindholm

Consent Agenda

1. Minutes - 02/09/2026
2. Minutes - 02/13/2026

*Motion made by Member Keys to approve consent items as presented, seconded by Member Carrascosa
All in favor, none opposed*

Report on Items of Community Interest

3. 2026 Texas CenterPoint GRIP Customer Notice

Citizen Participation (3 minutes)

Public Hearing

4. The purpose of this hearing is to hear evidence for or against a request made by Tony Fountain for an exemption to City of Mount Vernon, Ordinance, Chapter 13, Section 102, regarding sex offender residency restrictions for 110 Church Street, Mount Vernon, Texas 75457

Public Hearing opened at 6:05 pm

Amy Briscoe, spoke in opposition of the request, explaining the importance of the ordinance.

Kenneth Shelton, spoke in opposition of the request, urging the Council to protect the children.

Milton Fountain, spoke in favor of granting the request advising that the requestor is not well and needs to get

out of his current living situation.

Tony Fountain, spoke about the incident leading to his incarceration and subsequent registry status.

Hearing closed at 6:13 pm

Items to be Considered

- 5. Consider a request by Tony Fountain for an exemption to Ordinance Chapter 13, Section 102 regarding residency restrictions for sex offenders for 110 Church Street, Mount Vernon, Texas, 75457

Item dies for lack of motion

- 6. Consider and act upon Resolution No. 26-05, appointing a City Secretary
City Administrator Lindholm recommends approval of the resolution.

*Motion made by Member Cason to approve the resolution as presented, seconded by Member Carrascosa
All in favor, none opposed*

Discussion Items and Mayor/Council/City Administrator Reports

Consider options on IT provider services

City Administrator Lindholm advised the Council of ongoing issues with the current IT contractor and indicated that staff would be looking at other providers.

Presiding Officer to Adjourn the City Council Meeting

*Motion made by Member Huddleston to adjourn at 6:17 pm, seconded by Member Keys
All in favor, none opposed*

Approved:

Attest:

Brad Hyman, Mayor

Angie Pike, City Secretary

A RESOLUTION BY THE CITY OF MOUNT VERNON, TEXAS, (“CITY”) REGARDING THE INTERIM RATE ADJUSTMENT APPLICATION OF CENTERPOINT ENERGY RESOURCES CORP. d/b/a CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS, BEAUMONT/EAST TEXAS DIVISION, FOR THE 12 MONTH PERIOD ENDING DECEMBER 31, 2025.

WHEREAS, on or about February 17, 2026, CenterPoint Energy Resources Corp. d/b/a/ CenterPoint Energy Entex and CenterPoint Energy Texas Gas, Beaumont/East Texas Division (“CenterPoint”) filed an application for an interim rate adjustment/Gas Reliability Infrastructure Program (“GRIP”), which if approved, results in an increase in the monthly customer charges as follows:

Rate Schedule	Current Customer Charge	Proposed 2026 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
R-2099-I-GRIP 2026; R-2099-U-GRIP 2026 Residential	\$27.86 per customer per month	\$2.47 per customer per month	\$30.33 per customer per month	\$2.47 per customer per month
GSS-2099-I-GRIP 2026; GSS-2099-U-GRIP 2026 General Service Small	\$53.12 per customer per month	\$4.18 per customer per month	\$57.30 per customer per month	\$4.18 per customer per month
GSLV-630-I-GRIP 2026; GSLV-630-U-GRIP 2026 General Service Large Volume	\$290.89 per customer per month	\$55.21 per customer per month	\$346.10 per customer per month	\$55.21 per customer per month

and

WHEREAS, the City has a responsibility to exercise due diligence with regard to rate increases of monopoly utilities who operate within its boundaries; and

WHEREAS, the application to increase rates by CenterPoint is complex; and

WHEREAS, it is necessary to suspend the effective date for the increase in rates for forty-five days, so that the City can assure itself that the data and calculations in CenterPoint’s rate application are in accordance with the Section 104.301 of the Gas Utility Regulatory Act; and

WHEREAS, the effective date proposed by CenterPoint is April 18, 2026 but a suspension by the City will mean that the rate increase cannot go into effect prior to June 2, 2026.

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

Section 1. That the statements and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

Section 2. The City suspends the requested effective date by CenterPoint for forty-five days pursuant to the authority granted the City under Section 104.301 of the Texas Utilities Code. The City finds that additional time is needed in order to review the data and calculations that provide the basis for the rate increase application.

Section 3. The City shall continue its participation with other cities that are part of a coalition of cities known as the Alliance of CenterPoint Municipalities (“ACM”).

Section 4. The City authorizes the law firm of Herrera Law & Associates, PLLC, to act on its behalf in connection with CenterPoint’s application to increase rates.

Section 5. To the extent allowed by law, CenterPoint is ordered to pay the City’s reasonable rate case expenses incurred in response to CenterPoint’s rate increase application within 30 days of receipt of invoices for such expenses.

Section 6. A copy of this Resolution shall be transmitted to ACM’s Special Counsel, Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, P.O. Box 302799, Austin, Texas 78703 or via email to aherrera@herreralawpllc.com.

Section 7. The meeting at which this resolution was approved was in all things conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 8. This resolution shall be effective immediately upon passage.

PASSED AND APPROVED this _____ day of _____ 2026.

MAYOR

ATTEST:

CITY SECRETARY

AGENDA INFORMATION SHEET

AGENDA ITEM NO. 3

ACTION TO SUSPEND THE EFFECTIVE DATE PROPOSED BY CENTERPOINT ENERGY RESOURCES CORP. d/b/a CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS, BEAUMONT/EAST TEXAS DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM, FOR 45 DAYS, AND AUTHORIZE THE CITY’S CONTINUED PARTICIPATION IN A COALITION OF CITIES KNOWN AS THE “ALLIANCE OF CENTERPOINT MUNICIPALITIES” (“ACM”) OF CITIES

ALLIANCE OF CENTERPOINT MUNICIPALITIES

The City is a member of the Alliance of CenterPoint Municipalities (“ACM”). ACM was organized by a number of municipalities served by CenterPoint Energy Resources Corp. d/b/a/ CenterPoint Energy Entex and CenterPoint Energy Texas Gas, Beaumont/East Texas Division (“CenterPoint”) and has been represented by the law firm of Herrera Law & Associates, PLLC to assist in reviewing applications to change rates submitted by CenterPoint.

“GRIP” RATE APPLICATION

Under section 104.301 of the Gas Utility Regulatory Act (“GURA”), a gas utility is allowed to request increases in its rates to recover a return on investments it makes between rate cases. This section of GURA is commonly referred to as the “GRIP” statute, that is, the “Gas Reliability Infrastructure Program.”

The Supreme Court of Texas concluded that a filing made under the GRIP statute permitted gas utilities the opportunity to recover return on capital expenditures made during the interim period between rate cases by applying for interim rate adjustment and that proceedings under the GRIP statute did not contemplate either adjudicative hearings or substantive review of utilities’ filings for interim rate adjustments. Instead, the Court concluded, the GRIP statute provides for a *ministerial* review of the utility’s filings to ensure compliance with the GRIP statute and the Railroad Commission’s rules, and that it is within the Railroad Commission’s authority to preclude cities from intervening and obtaining a hearing before the Railroad Commission. The Court’s opinion has severely limited a city’s ability to perform a meaningful review of a gas-utility’s GRIP filing.

CENTERPOINT’S “GRIP” APPLICATION

On or about February 17, 2026, CenterPoint filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program (“GRIP”) (Gas Utility Regulatory Act, § 104.301). CenterPoint’s application if approved by the Commission will result in an increase in the monthly customer charges as shown below:

Rate Schedule	Current Customer Charge	Proposed 2026 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
R-2099-I-GRIP 2026; R-2099-U-GRIP 2026 Residential	\$27.86 per customer per month	\$2.47 per customer per month	\$30.33 per customer per month	\$2.47 per customer per month

GSS-2099-I-GRIP 2026; GSS-2099-U-GRIP 2026 General Service Small	\$53.12 per customer per month	\$4.18 per customer per month	\$57.30 per customer per month	\$4.18 per customer per month
GSLV-630-I-GRIP 2026; GSLV-630-U-GRIP 2026 General Service Large Volume	\$290.89 per customer per month	\$55.23 per customer per month	\$346.12 per customer per month	\$55.23 per customer per month

CenterPoint’s proposed increase results in the following percentage increases in a customer’s fixed customer charge in its Houston Division:

- Residential Customer: 8.7% increase in customer charge
- Commercial Customer: 7.9% increase in customer charge
- General Service – Large Volume: 19.0% increase in customer charge

REVIEW AND ACTION RECOMMENDED

Although the City’s ability to review and effectuate a change in CenterPoint’s requested increase is limited, the City should exercise due diligence with regard to rate increases of monopoly utilities who operate within its boundaries, including increases requested under the GRIP statute to ensure compliance with the requirements of that law. This includes whether CenterPoint’s current rates produce a rate of return in excess of its authorized rate of return.

To exercise its due diligence, it is necessary to suspend CenterPoint’s proposed effective date of April 18, 2026 for forty-five days, so that the City can evaluate whether the data and calculations in CenterPoint’s rate application are correctly done.

Therefore, ACM’s Special Counsel, the law firm of Herrera Law & Associates, PLLC recommends that the City adopt a resolution suspending CenterPoint’s proposed effective date for 45 days. Assuming a proposed effective date of April 18, 2026, CenterPoint’s proposed effective date is suspended until June 2, 2026.

ANNUAL FINANCIAL REPORT
OF THE
CITY OF MOUNT VERNON, TEXAS
FOR
FISCAL YEAR ENDED
SEPTEMBER 30, 2025



**CITY OF MOUNT VERNON, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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**CITY OF MOUNT VERNON, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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FINANCIAL SECTION

Mike Ward Accounting & Financial Consulting, PLLC

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Mount Vernon, Texas
P.O. Box 597
Mount Vernon, Texas 75457

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Texas as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Mount Vernon, Texas' basic financial statements as listed in the table of contents.

In my opinion, the 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 unit, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, 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 of Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the City of Mount Vernon, Texas, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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 of Mount Vernon, Texas' 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

My objective is 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 my opinions. Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement 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 of Mount Vernon, Texas' 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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mount Vernon, Texas' ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 and budgetary comparison information be presented to supplement that basis 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mount Vernon, Texas' basic financial statements. The individual component unit financial statements are presented for 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 auditing standards generally accepted in the United States of America. In my opinion, the individual component unit financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Respectfully Submitted,

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas

March 26, 2026

CITY OF MOUNT VERNON, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

As management of the City of Mount Vernon ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that has been provided in the City's financial statements, which follows this narrative.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$10,303,960 (net position). Of this amount \$9,169,031, or 89%, is net investment in capital assets. Net position restricted for specific purposes is \$905,376, or 9%. The remaining amount of \$229,553, or 2%, (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors in accordance with fund designation and fiscal policies.
- The City's total net position changed by (\$1,347,306), or (12.%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$2,534,057, an increase of \$186,063, or 7.9%. Approximately 49% of this total amount, or \$1,628,681, is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,628,681, or 49%, of total general fund expenditures.
- The City's total long-term debt decreased by (\$172,221), or 3%, during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Mount Vernon's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information, in addition to the basic financial statements.

**CITY OF MOUNT VERNON, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2025**

Basic Financial Statements

The first two statements (pages 16-19) within the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 20-26) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the proprietary fund statements.

The next section of the basic financial statements is the **notes** on pages 27-47. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **required supplemental information** is provided to show details about the City's pension plan and budget on pages 50-53.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between the two reported as net position. 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.

The statement of activities presents information showing how the City's net position changed during the most recent 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 these statements 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 utilizing the accrual basis of accounting.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component unit. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property and sales taxes, and state and federal grant funds, finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the utility services offered by the City. The final category is the component unit.

The government-wide financial statements are on pages 16-19 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. 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 all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All funds of the City can be divided into two categories: governmental funds and proprietary funds.

**CITY OF MOUNT VERNON, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2025**

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what funds are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Because the focus of 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 government-wide financial statements. By doing so, readers may better understand the long-term impact of the City'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 maintains fifteen 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 the Permanent Fund. The Governmental Fund financial statements can be found on pages 20-23 of this report.

The City adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule uses the modified accrual basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The schedule shows four columns: 1) the original budget; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – The City has one type of proprietary fund which is the Water and Sewer Fund. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary Funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 24-26 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 are on pages 27-47 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

CITY OF MOUNT VERNON, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2025

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 2,571,976	\$ 2,405,133	\$ 118,581	\$ 2,782,562	\$ 2,690,557	\$ 5,187,695
Capital assets	2,203,510	2,309,197	10,569,671	9,605,029	12,773,181	11,914,226
Total assets	4,775,486	4,714,330	10,688,252	12,387,591	15,463,738	17,101,921
Deferred outflow of resources						
Deferred outflow-pension	353,300	474,175	117,767	149,524	471,067	623,699
Long-term liabilities	131,331	283,950	4,715,627	4,959,157	4,846,958	5,243,107
Current liabilities	3,028	22,246	397,336	485,018	400,364	507,264
Total liabilities	134,359	306,196	5,112,963	5,444,175	5,247,322	5,750,371
Deferred inflow of resources						
Deferred inflow-pension	287,642	244,755	95,881	79,228	383,523	323,983
Net position:						
Net investment in capital assets	2,203,510	2,309,197	6,965,521	6,261,879	9,169,031	8,571,076
Restricted	905,376	1,227,758	-	-	905,376	1,227,758
Unrestricted	1,597,899	1,100,599	(1,368,346)	751,833	229,553	1,852,432
Total net position	\$ 4,706,785	\$ 4,637,554	\$ 5,597,175	\$ 7,013,712	\$ 10,303,960	\$ 11,651,266

As noted earlier, net position may serve over time as one useful indicator of a City's financial condition. The net position of the City exceeded liabilities by \$10,303,960 as of September 30, 2025. The City's net position decreased (\$1,347,306), or (11.56%), excluding prior period adjustments, for the fiscal year ended September 30, 2025.

Net investment in capital assets:

The largest portion of the City's net position, \$9,169,031, or 89.%, reflects the investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items, plus any unexpended debt proceeds. 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 its capital of outstanding related debt, the resources needed to repay that debt must be provided by other sources since it is reported net the capital assets cannot be used to liquidate these liabilities.

Restricted net position:

The restricted net position of \$905,376, or 8.79%, of total net position represents resources that are subject to external restrictions on their use, or by enabling legislation. Restricted net position is comprised of state and contractually imposed restrictions which are \$434,090, or 47.9%, debt obligations, nonspendable endowment funds of \$284,081, or 31.4%, \$39,289, or 4.3%, restricted for court use, \$123,175 or 13.6% for hotel use and park funds \$17,061, or 1.9% and finally \$7,680 or .8% for the Home grant.

Unrestricted net position:

Unrestricted net position of \$229,553, or 2.1%, is available to fund City programs to citizens and debt obligations to creditors.

CITY OF MOUNT VERNON, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2025

The City of Mount Vernon's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
REVENUE:						
Program Revenues:						
Charges for Services	\$ 853,514	\$ 654,785	\$ 1,582,409	\$ 1,732,505	\$ 2,435,923	\$ 2,387,290
Operating Grants and Contributions	82,536	116,883	-	-	82,536	116,883
Capital Grants and Contributions	2,500	-	72,191	364,822	74,691	364,822
General Revenues:						
Property Taxes	1,182,284	1,077,012	-	-	1,182,284	1,077,012
Sales Taxes	863,142	839,281	-	-	863,142	839,281
Franchise Taxes	137,768	138,681	-	-	137,768	138,681
Hotel/Motel Tax	27,334	76,586	-	-	27,334	76,586
Investment Income	41,271	101,302	80,968	65,696	122,239	166,998
Miscellaneous	10,720	1,244	20,710	967	31,430	2,211
Intergovernmental revenue	-	-	-	118,365	-	118,365
Total Revenues	3,201,069	3,005,774	1,756,278	2,282,355	4,957,347	5,288,129
EXPENSES:						
Program Expenses:						
General Government	717,025	937,674	-	-	717,025	937,674
Public Safety	1,670,657	1,220,081	-	-	1,670,657	1,220,081
Public Services and Operations	253,105	218,411	-	-	253,105	218,411
Public Works	289,780	814,956	-	-	289,780	814,956
Parks and Recreation	82,085	83,308	-	-	82,085	83,308
Sanitation	428,597	358,936	-	-	428,597	358,936
Water and Sewer	-	-	2,863,404	2,904,522	2,863,404	2,904,522
Total Expenses	3,441,249	3,633,366	2,863,404	2,904,522	6,304,653	6,537,888
Increase in Net Position before Transfers	(240,180)	(627,592)	(1,107,126)	(622,167)	(1,347,306)	(1,249,759)
Other Revenues and Financing Sources (uses)						
Transfers	309,411	(327,782)	(309,411)	327,782	-	-
Total Other Financing Sources (uses)	309,411	(327,782)	(309,411)	327,782	-	-
Change in Net Position	69,231	(955,374)	(1,416,537)	(294,385)	(1,347,306)	(1,249,759)
Net Position, October 1	4,637,554	5,592,928	7,013,712	7,308,097	11,651,266	12,901,025
Net Position, September 30	\$ 4,706,785	\$ 4,637,554	\$ 5,597,175	\$ 7,013,712	\$10,303,960	\$11,651,266

**CITY OF MOUNT VERNON, TEXAS
MANAGEMENT AND DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2025**

Financial Analysis of the City's Funds

As noted earlier, the City of Mount Vernon 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 usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending as they represent the portion of fund balance which has not been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been granted authority to assign resources for a particular purpose for the City.

At September 30, 2025, the governmental funds of the City reported a combined fund balance of \$2,534,057, a (7.92%) decrease when compared to the prior year. The components of total fund balance are as follows:

- Nonspendable fund balance of \$284,081, or 11%, of total fund balance is a permanent endowment for the City cemetery.
- Restricted fund balance of \$621,295, or 25%, of total fund balance consists of the following:
 - requirements for debt obligations of \$434,090, or 70.%;
 - restrictions for court use of \$39,289, or 6.%;
 - restrictions for hotel tax use of \$123,175, or 20.%;
 - restrictions for HOME use of \$7,680, or 1.%;
 - restrictions for park use of \$17,061, or 3.%;
 that are not considered nonexpendable, restricted, or committed.
- Unassigned fund balance of \$1,628,681, or 64%, that is available for any purpose.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund was \$1,628,681, compared to \$1,120,236 at the end of the prior year. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 49% of total expenditures.

It is the City's goal to achieve and maintain an unassigned fund balance in the General Fund equal to 16.67% of expenditures. At the end of the current fiscal year, the City is in excess of this threshold by 32%.

General Fund Budgetary Highlights: During the fiscal year, the City did not revise the budget. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the proprietary funds at the end of the fiscal year amounted to (\$1,368,346).

CITY OF MOUNT VERNON, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2025

Capital assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, totals \$12,773,181 (net of accumulated depreciation). This investment in capital assets includes buildings, roads and bridges, land, machinery and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 7.21%.

Major capital asset events during the current fiscal year included the following:

- Road improvements
- Completion of utility improvements, meter installations.

Capital Assets
As of September 30, 2025
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land & Improvements	\$ 174,582	\$ 174,582	\$ 439,158	\$ 439,158	\$ 613,740	\$ 613,740
Machinery & Equipment	331,516	403,446	-	-	331,516	403,446
Buildings & Improvements	-	-	-	-	-	-
Infrastructure	1,697,412	1,731,169	10,130,513	9,165,871	11,827,925	10,897,040
Construction in Progress	-	-	-	-	-	-
Total	\$ 2,203,510	\$ 2,309,197	\$ 10,569,671	\$ 9,605,029	\$ 12,773,181	\$ 11,914,226

More detailed information about the City's capital assets is presented in Note F to the financial statements

Long-term Debt - As of September 30, 2025, the City had long-term debt outstanding of \$4,927,929. This debt is secured by property taxes and/or net revenues of the Water/Sewer Fund. The debt decreased by \$172,221, or 3%.

Outstanding Debt
As of September 30, 2025

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Certificates of Obligation	\$ -	\$ -	\$ 4,420,230	\$ 4,602,384	\$ 4,420,230	\$ 4,602,384
Notes Payable	-	-	507,699	497,766	507,699	497,766
Total	\$ -	\$ -	\$ 4,927,929	\$ 5,100,150	\$ 4,927,929	\$ 5,100,150

More detailed information about the City's long-term liabilities is presented in Note G to the financial statements.

**CITY OF MOUNT VERNON, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2025**

Economic Factors and Next Year's Budgets and Rates

The following known factors were considered in preparing the City's operating budget for FY2025-2026:

- The adopted property tax rate for FY2024-2025 is \$0.587510 per \$100 valuation.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City of Mount Vernon, P O Box 597, Mount Vernon, Texas 75457.



BASIC FINANCIAL STATEMENTS

**CITY OF MOUNT VERNON, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit EDC
ASSETS				
Cash and cash equivalents	\$ 1,435,881	\$ (1,388,550)	\$ 47,331	\$ 714,256
Receivables (net of allowance for uncollectible)	227,757	42,066	269,823	78,866
Restricted assets:				
Cash and cash equivalents	908,338	141,286	1,049,624	-
Cash held in escrow - debt proceeds	-	1,323,779	1,323,779	-
Capital assets, not being depreciated:				
Land & improvements	174,582	439,158	613,740	347,956
Capital assets, net of accumulated depreciation:				
Infrastructure	1,697,412	10,130,513	11,827,925	-
Machinery & equipment	331,516	-	331,516	-
Total Assets	4,775,486	10,688,252	15,463,738	1,141,078
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflow - pension	353,300	117,767	471,067	-
LIABILITIES				
Accounts payable	3,028	7,393	10,421	-
Customer deposits	-	122,910	122,910	-
Accrued interest payable	-	6,091	6,091	-
Noncurrent Liabilities:				
Due within one year:				
Notes payable - current	-	73,788	73,788	-
Bonds payable - current	-	187,154	187,154	-
Due in more than one year:				
Compensated absences	33,933	16,174	50,107	-
Net pension liability	42,889	14,296	57,185	-
OPEB Liability	54,509	18,170	72,679	-
Notes payable	-	433,911	433,911	-
Bonds payable	-	4,233,076	4,233,076	-
Total Liabilities	134,359	5,112,963	5,247,322	-
DEFERRED INFLOW OF RESOURCES				
Deferred inflow - pension	287,642	95,881	383,523	-
NET POSITION				
Net investment in capital assets	2,203,510	6,965,521	9,169,031	-
Restricted for:				
Debt	434,090	-	434,090	-
Permanent Fund:				
Nonespendable	284,081	-	284,081	-
HOME program	7,680	-	7,680	-
Court use	39,289	-	39,289	-
Hotel tax	123,175	-	123,175	-
Park	17,061	-	17,061	-
Unrestricted	1,597,899	(1,368,346)	229,553	1,141,078
Total Net Position	\$ 4,706,785	\$ 5,597,175	\$ 10,303,960	\$ 1,141,078

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



**CITY OF MOUNT VERNON, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Function/Program Activities				
Primary Government				
Governmental Activities:				
General Government	\$ 717,032	\$ 87,493	\$ 1,802	\$ -
Public Safety	1,670,657	-	48,482	2,500
Public Services and Operations	253,105	90,486	32,177	-
Public Works	289,780	153,877	-	-
Parks and Recreation	82,085	350	75	-
Sanitation	428,597	521,308	-	-
Total Governmental Activities	<u>3,441,256</u>	<u>853,514</u>	<u>82,536</u>	<u>2,500</u>
Business-type Activities:				
Water and Sewer	2,863,405	1,582,409	-	72,191
Total Business-type Activities	<u>2,863,405</u>	<u>1,582,409</u>	<u>-</u>	<u>72,191</u>
Total Primary Government	<u>6,304,661</u>	<u>2,435,923</u>	<u>82,536</u>	<u>74,691</u>
Component Unit:				
Economic Development Corporation	260,505	-	-	-
Total Component Unit	<u>\$ 260,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:
Property Taxes
Sales Taxes
Franchise Taxes
Hotel Taxes
Investment Income
Miscellaneous
Transfers
Total General Revenues & Transfers
Change in Net Position
Net position - beginning
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business Activities	Total	
\$ (627,737)	\$ -	\$ (627,737)	\$ -
(1,619,675)	-	(1,619,675)	-
(130,442)	-	(130,442)	-
(135,903)	-	(135,903)	-
(81,660)	-	(81,660)	-
92,711	-	92,711	-
<u>(2,502,706)</u>	<u>-</u>	<u>(2,502,706)</u>	<u>-</u>
-	<u>(1,208,805)</u>	<u>(1,208,805)</u>	-
-	<u>(1,208,805)</u>	<u>(1,208,805)</u>	-
<u>(2,502,706)</u>	<u>(1,208,805)</u>	<u>(3,711,511)</u>	<u>-</u>
-	-	-	(260,505)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (260,505)</u>
\$ 1,182,284	\$ -	\$ 1,182,284	\$ -
863,142	-	863,142	421,076
137,768	-	137,768	-
27,334	-	27,334	-
41,271	80,969	122,240	22,411
10,727	20,710	31,437	-
309,411	(309,411)	-	-
<u>2,571,937</u>	<u>(207,732)</u>	<u>2,364,205</u>	<u>443,487</u>
69,231	(1,416,537)	(1,347,306)	182,982
4,637,554	7,013,712	11,651,266	958,096
<u>\$ 4,706,785</u>	<u>\$ 5,597,175</u>	<u>\$ 10,303,960</u>	<u>\$ 1,141,078</u>

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

**CITY OF MOUNT VERNON, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	General Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,435,881	\$ -	\$ -	\$ 1,435,881
Receivables (net of allowances for uncollectible)	220,569	7,189	-	227,758
Cash - Restricted	190,167	434,089	284,081	908,337
Total Assets	1,846,617	441,278	284,081	2,571,976
LIABILITIES				
Accounts payable	3,029	-	-	3,029
Accrued interest payable	-	-	-	-
Accrued expenses	-	-	-	-
Deferred American Family Rescue Act Funding	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	3,029	-	-	3,029
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue-property taxes	27,702	7,188	-	34,890
Total Deferred Inflow of Resources	27,702	7,188	-	34,890
FUND BALANCES				
Nonspendable:				
Endowment	-	-	284,081	284,081
Restricted for:				
Debt	-	434,090	-	434,090
Court use	39,289	-	-	39,289
Hotel tax	123,175	-	-	123,175
HOME program	7,680	-	-	7,680
Park	17,061	-	-	17,061
Unassigned	1,628,681	-	-	1,628,681
Total Fund Balances	1,815,886	434,090	284,081	2,534,057
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 1,846,617	\$ 441,278	\$ 284,081	\$ 2,571,976

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

**CITY OF MOUNT VERNON, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Total fund balances - governmental funds balance sheet	\$ 2,534,057
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,603,763
Accumulated depreciation has not been included in the governmental fund financial statements.	(4,400,252)
Deferred inflow/outflow of resources for pension are not reported in the fund financial statements.	65,658
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements	34,890
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.	(33,933)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the fund financial statements.	(42,889)
OPEB liability is not due and payable in the current period and therefore, is not reported in the fund financial statements.	(54,509)
Net position of governmental activities - statement of net position	<u>\$ 4,706,785</u>

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

**CITY OF MOUNT VERNON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	General Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUE				
Property Taxes	\$ 980,647	\$ 201,637	\$ -	\$ 1,182,284
Sales Tax Collected	863,142	-	-	863,142
Franchise Taxes	137,768	-	-	137,768
Licenses and Permits	166,202	-	-	166,202
Fines and Forfeitures	78,160	-	-	78,160
Hotel Tax	27,334	-	-	27,334
Charge for Services	609,151	-	-	609,151
Grant Revenue	4,302	-	-	4,302
Intergovernmental Revenues	80,734	-	-	80,734
Investment Income	15,599	21,670	4,002	41,271
Miscellaneous	10,727	-	-	10,727
Total Revenues	2,973,766	223,307	4,002	3,201,075
EXPENDITURES				
Current:				
General Government	698,003	-	-	698,003
Public Safety	1,638,760	-	-	1,638,760
Public Services and Operations	253,105	-	-	253,105
Public Works	70,918	-	-	70,918
Parks and Recreation	72,378	-	-	72,378
Sanitation	428,597	-	-	428,597
Debt Service:				
Capital Outlay:				
Public Works	162,662	-	-	162,662
Total Expenditures	3,324,423	-	-	3,324,423
Excess (deficiency) of revenues over (under) expenditures	(350,657)	223,307	4,002	(123,348)
Other Revenues and Financing Sources (uses)				
Transfers	867,633	(558,222)	-	309,411
Total Other Financing Sources (uses)	867,633	(558,222)	-	309,411
Net Change in Fund Balances	516,976	(334,915)	4,002	186,063
Fund Balances, October 1	1,298,910	769,005	280,079	2,347,994
Fund Balances, September 30	\$ 1,815,886	\$ 434,090	\$ 284,081	\$ 2,534,057

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

**CITY OF MOUNT VERNON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Net change in fund balances - total governmental funds	\$ 186,063
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	162,662
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(268,349)
Current year changes in pension expense do not require the use of current resources; therefore, are not reported as expenditures in governmental funds.	(7,780)
Current year changes in OPEB expense do not require the use of current resources; therefore, are not reported as expenditures in governmental funds.	(3,365)
Change in net position of governmental activities - statement of activities	<u>\$ 69,231</u>

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

**CITY OF MOUNT VERNON, TEXAS
STATEMENT OF FUNDS NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025**

	<u>Water/Sewer Fund</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ (1,388,550)
Receivables (net of allowances for uncollectible)	42,066
Restricted cash and cash equivalents	141,286
Cash held in escrow - debt proceeds	1,323,779
Total Current Assets	<u>118,581</u>
Noncurrent Assets:	
Capital Assets:	
Land	439,158
Building & improvements	-
Machinery & equipment	187,748
Infrastructure	19,104,598
Less: accumulated depreciation	<u>(9,161,834)</u>
Total Capital Assets (net of accumulated depreciation)	<u>10,569,670</u>
Total Noncurrent Assets	<u>10,569,670</u>
Total Assets	<u><u>10,688,251</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow - pension	<u>117,767</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	7,392
Payables from restricted funds:	
Customer deposits	122,910
Accrued interest payable	6,091
Notes Payable - current	73,788
Bonds payable - current	187,154
Total Current Liabilities	<u>397,335</u>
Noncurrent Liabilities:	
Compensated absences	16,174
Net pension liability	14,296
OPEB Liability	18,170
Notes Payable	433,911
Bonds payable	4,233,076
Total Non-Current Liabilities	<u>4,715,627</u>
Total Liabilities	<u>5,112,962</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow - pension	<u>95,881</u>
NET POSITION	
Net investment in capital assets	6,965,521
Unrestricted	<u>(1,368,346)</u>
Total Net Position	<u><u>\$ 5,597,175</u></u>

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

**CITY OF MOUNT VERNON, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Water/Sewer Fund
OPERATING REVENUES:	
Charges for services-water	\$ 760,904
Charges for services-sewer	617,157
Assessment fees	194,391
Tap fees	9,957
Intergovernmental revenue	-
Miscellaneous income	20,710
Total Operating Revenues	<u>1,603,119</u>
OPERATING EXPENSES:	
Personnel costs	944,657
Supplies and materials	382,978
Maintenance and repair	675,638
Utility services	79,548
Water purchases	100,750
Depreciation	512,566
Total Operating Expenses	<u>2,696,137</u>
Operating Income (Loss)	<u>(1,093,018)</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest expense	(166,068)
Bond issue costs	(1,200)
Grant proceeds	72,191
Investment income	80,969
Total Non-Operating Revenues (Expenses)	<u>(14,108)</u>
Income before transfers	(1,107,126)
Transfers	<u>(309,411)</u>
Change in Net Position	(1,416,537)
Net position - Beginning, October 1	7,013,712
Net Position - Ending, September 30	<u>\$ 5,597,175</u>

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

**CITY OF MOUNT VERNON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Water/Sewer Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 1,723,351
Cash received from other sources	92,901
Cash paid to employees	(944,657)
Cash paid to suppliers	(1,260,875)
Net cash provided by (used for) operating activities	<u>(389,280)</u>
Cash Flows from Noncapital Financing Activities	
Transfers to/from other funds	(309,410)
Change in net pension liability	(72,494)
Net Cash Provided by Non-capital Financing Activities	<u>(381,904)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(1,477,208)
Principal payments on debt obligations	(172,221)
Interest and fiscal charges on debt	(167,268)
Net cash provided by (used for) capital and related financing activities	<u>(1,816,697)</u>
Cash Flows from Investing Activities	
Interest income	80,969
Net cash provided by (used for) investing activities	<u>80,969</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,506,912)
Cash and Cash Equivalents at Beginning of Year	2,583,427
Cash and Cash Equivalents at End of Year	<u>\$ 76,515</u>
Reconciliation of operating income to net cash provided by (used for) operation activities	
Operating income (loss)	\$ (1,093,018)
Adjustment to reconcile operating income to net provided by operating activities:	
Depreciation	512,566
Change in Assets and Liabilities	
(Increase) Decrease in receivables	157,067
Increase (decrease) in accounts payable	(21,961)
Increase (decrease) in customer deposits	(16,125)
Increase (decrease) in other liabilities	-
Total Adjustments	<u>703,738</u>
Net cash provided by (used for) operating activities	<u>\$ (389,280)</u>

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

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mount Vernon ("City") operates under a Council-Manager form of government with a City Council comprised of the Mayor & five Council Members. Some of the services provided are: public safety (police and fire protection), water distribution, and general administration.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to state and local governments. Generally accepted accounting principles for local governments include principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants and by the Financial Accounting Standards Board, when applicable. The more significant accounting policies of the City are described below:

1. Reporting Entity

The City is a municipal corporation governed by an elected mayor and five-member council and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by GASB in its Statement No. 14, "The Financial Reporting Entity", as amended by GASB Statement No. 39 "Determining Whether Certain Organizations are Component Units".

Under GASB Statement No. 14, component units are organizations for which the City is financially accountable and all other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The financial statements of the component unit may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. GASB Statement No. 39 added clarification to GASB Statement No. 14 by including entities which meet all three of the following requirements:

1. The economic resources received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to other access, are significant to the primary government.

The financial statements of the following component unit has been "discretely presented" in the accompanying report because (i) their governing boards are not substantially the same as the governing body of the City, or (ii) the component unit provides services entirely or almost entirely to the citizenry and not the City.

Discretely presented component units. The City has one component unit, City of Mount Vernon Economic Development Corporation ("EDC"). The EDC was incorporated in 2010. The EDC is governed by a seven-member board appointed by and serving at the pleasure of the City Council. Thus, the EDC is legally separate, but due to the City appointing the voting majority of the EDC board, it is classified as a discretely presented component unit. The funding for EDC occurs by the City transferring 1/4 of sales tax collected by the City to the EDC. Adding the creation of the EDC to the resources currently available will more than double the current ability to assist economic development prospects. All of the EDC funding can be used for direct assistance to prospects and continued development of infrastructure. The nature and significance of the relationship between the primary government and the organization is such that exclusion would cause the City's financial statement to be misleading or incomplete.

In addition, GASB Statement No. 61 considers an organization that does not meet the financial accountability criteria may be included as a component unit if management's professional judgment determines it to be necessary and misleading if omitted. This evaluation includes consideration of whether a financial benefit or burden exists in the relationship between the entities. Management has not identified any additional organizations that fit this criteria.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

2. Basis of Presentation, Basis of Accounting

The basic financial statements are prepared in conformity with GAAP which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities on the statement of net position and statement of activities. Significantly, the City's statement of net position include both noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resource measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison schedule is presented that compares the original adopted budget and final amended General Fund budget with actual results.

The City's basic financial statements include the accounts of all City operations. In evaluating how to define the City for financial reporting purposes, management has considered all entities for which the City is considered to be financially accountable. As required by GAAP, these financial statements present the City and its component unit, entities for which the City is considered to be financially accountable. The discretely presented component unit has been reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The basic financial statements include both government-wide (based on the City as a whole) 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 of the non-fiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Public Works, Parks, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are also reported as general revenues rather than as program revenues.

The net cost (by function) is normally covered by general revenue (property and sales taxes, franchise taxes, and interest income).

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the funds financial statements. The major governmental funds are the general fund, debt service fund, and permanent fund. The major proprietary fund is the water and sewer fund. GASB Statement No. 34 set forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and proprietary combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The non-major funds are detailed in the combining section of the statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are franchise fees and other charges between the City's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Proprietary funds distinguish operating revenues and expenses from non-operating 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 water and wastewater business-type fund are charges to customers for sales and services. The water and wastewater fund also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for business-type funds include the cost of sales and service, administrative expenses, and depreciation on assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on major individual funds of the governmental and proprietary categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

3. Measurement Focus, Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund level 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 government considers revenues to be available when they are 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 and claims and judgments, are recorded only when payment is due and payable shortly after year end as required by GASB Interpretation No. 6.

Ad valorem, franchise, and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

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.

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is a description of the major governmental funds of the City:

The **General Fund** is the operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

The **Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid from taxes levied by the City.

The **Permanent Fund** is used to account for a memorial cash bequest to be used for maintenance of the City cemetery. Interest income earned each year is the only portion of this endowment that can be spent. The City issues a check to the cemetery board annually for the interest earned in the previous twelve months.

Proprietary funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position.

Proprietary funds are financed and operated in a manner similar to a private business enterprise. The costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenue earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or purposes. The following is a description of the proprietary funds of the City:

The **Water and Sewer Fund** account for the operations of the water and sanitary sewer utilities which are self-supporting activities rendering services on a user-charge basis.

4. Financial Statement Amounts

a. Cash and Cash Equivalents

The City's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City pools cash from all fund types (excluding certain restricted assets that are considered cash and cash equivalents) to increase the amount of funds available for investment. Investments held by the City that have a remaining maturity of greater than one year from purchase are carried at fair value. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool. Each fund may liquidate its equity in the pool on demand.

b. Receivable and Payable Balances

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation.

Trade and property tax receivables are shown net of an allowance for uncollectible.

All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Non-recurring and non-routine transfers of equity between funds, for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds are accounted for as transfers.

c. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the governmental funds represent cash and cash equivalents and investments set aside for specific capital additions, as well as various bond covenants. Restricted assets in the proprietary funds represent cash and cash equivalents and investments set aside for repayment of deposits to utility customers, specific capital additions, and various bond covenants.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Customer deposits received for the water and wastewater service are, by law, to be considered restricted assets. These activities are included within the Water and Sewer Funds.

d. Capital Assets

Capital assets, which include land, buildings, equipment, and improvements, purchased or acquired, are in the applicable governmental or business-like activities columns in the government-wide financial statements and proprietary fund types. The City defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical, if historical cost is not available. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements, and capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-like activities is included as part of the capitalized value of the assets constructed. There was no capitalized interest recorded for the current fiscal year.

Management elected not to retroactively report infrastructure assets within the scope of GASB Statement No. 34.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	15 - 40
Buildings & Improvements	10 - 50
Machinery and Equipment	5 - 10

e. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, overtime not paid (comp time), personal days, and sick pay benefits. All vacation and comp time is accrued at the close of the fiscal year in the government-wide and proprietary fund financial statements. An employee's sick pay accrual does not begin until they have been employed with the City for ten years and a maximum of 480 hours is accrued.

f. Pensions

In government-wide financial statements, retirement plans (pension) are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the City recognizes a net pension liability, which represents the City's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Texas Municipal Retirement System ("TMRS"). The net pension liability is measured as of December 31, 2020. Changes in the net pension liability are recorded as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) will be amortized over the weighted average remaining service life of all participants and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred inflows/outflows of resources relating to pension expense, information about the fiduciary net position of the City's pension plan with TMRS and additions to, or deductions from, the plan's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and will be amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed five-year period of recognition.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

g. 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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method and netted with the long term obligations in the liabilities. The City has compared this method to the effective interest method and found the difference between the two methods to be immaterial. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the year they are incurred in accordance with GASB Statement No. 65.

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 financial 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The City has one item that is reportable in the Government-wide Statement of Net Position: outflows from changes in net pension liability. This outflow of resources is also reported in the proprietary fund financial statements.

In addition to liabilities, the fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of a net position that applies to that time. The City has only one type of deferred inflow of resources in the governmental fund financial statement. Deferred revenue from property taxes is deferred and recognized as an inflow of resources in the period that the amounts become available. There is one type of deferred inflow of resources in the Government-wide Statement of Net Position; inflows of changes in net pension liability. This inflow of resources is also reported in the proprietary fund financial statements.

i. Fund Balance Policies

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable fund balance** - includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain intact such as the principal of an endowment.
- **Restricted fund balance** - includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include grant awards and bond proceeds.
- **Committed fund balance** - includes the portion of net resources for which the City Council has imposed limitations of use. Amounts that can be used only for the specific purposes determined by a resolution of the City Council. Commitments may be changed or lifted only by a resolution of the City Council. The resolution must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.
- **Assigned fund balance** - includes the portion of net resources for which an *intended* use has been established by the City Council, or the City Administrator authorized to do so by the City Council. Assignments of fund balances 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.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

- **Unassigned fund balance** - includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

It is the desire of the City to maintain adequate general fund unassigned fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund unassigned fund balance of 16.67% of total General Fund expenditures. The City is currently in compliance with this policy.

j. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider the restricted net position to have been depleted before unrestricted net position is applied.

k. Fund Balance Flow Assumption

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of the unrestricted fund balance. Further, when the components of the unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

l. Comparative Data/Reclassification

Comparative data for the current year to budget have been presented in the supplementary section of the financial statements in order to provide an understanding of budget to actual. Also, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

m. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consideration. Services provided, deemed to be market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges an appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position. The government did not have any Internal Balances at fiscal year end.

n. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

o. Program Revenues

Certain revenues such as charges for services are included in program revenues.

p. Program Expenditures

Certain indirect costs such as administrative costs are included in the program expenditures reported for individual functional activities.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

<u>Violation</u>	<u>Action Taken</u>
None reported	n/a

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>
None reported	n/a

3. Budgets and Budgetary Accounting

The City adopts an "appropriated budget" of the General Fund on the modified accrual basis of accounting by department. The City is required to present the adopted and final amended budgeted revenues and expenditures. The City compares the budget to actual revenues and expenditures as a management control during the year.

The following procedures are followed in establishing the budgetary data:

- No later than the first City Council meeting each August, the City Administrator submits to the City Council a proposed budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to September 30, the budget is legally enacted through passage of an ordinance. If the Council takes no action on or prior to such day, the budget, as submitted by the City Administrator, shall be deemed to have been adopted by the City Council.
- According to the Local Government Code for General Law a city's total estimated expenditures of the General Fund are to be budgeted.
- The level of control (the level at which expenditures may not exceed budget) is the fund level. The City Administrator is authorized to approve a transfer of budgeted amounts within departments; however, any revisions that alter the total of any fund must be approved by the City Council.

C. CASH AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect the City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository banks' dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance.

Cash Deposits

At September 30, 2025, the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,734,517 and the bank balance was \$4,830,895. The City's cash deposits at September 30, 2025 and during the year ended September 30, 2024 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name. The amount of deposits covered by collateralized securities was \$4,580,895. Cash and investments as of September 30, 2025 consist of and are classified in the accompanying financial statements as follows:

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Statement of net position:

Primary Government

Cash and cash equivalents	\$ 47,331
Restricted assets - cash & cash equivalents	2,373,403
Total cash and cash equivalents	<u>\$ 2,420,734</u>

Governmental - Restricted cash

Municipal Court - technology, building security	\$ 39,289
Debt Service	434,089
Public Safety	2,963
Grant funds	7,680
Hotel	123,175
Endowment funds	284,081
Park	17,061
	<u>\$ 908,338</u>

Business-type - Restricted cash

Debt proceeds - held in escrow	1,323,779
Grant funds	18,376
Utility Deposits	122,910
	<u>\$ 1,465,065</u>

Investments:

The Public Funds Investment Act ("Act") (Government Code Chapter 2256) requires the City to have an independent auditor perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Investment Accounting Policy

The investment program's foremost objective is the safety of principal by seeking to ensure the preservation of capital in the portfolio and to mitigate credit risk and interest rate risk.

The City has options for investments of City funds: certificates of deposits that are issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has a main office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits of the City.

Local government investment pools, which meet the requirement of Chapter 2256.016 of the Public Funds Investment Act, are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and seek to maintain a \$1.00 net asset value and are authorized by resolution of the City Council.

Investment in State Investment Pools

The City is a voluntary participant in LoneStar Investment Pool ("Lone Star"). Lone Star is a subsidiary of First Public, LLC. Lone Star limits investments only to those allowed by the Public Funds Investment Act. This type of investment pool uses amortized costs rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool. The Texas Local Government Investment Pool is organized in conformity with the Interpositional Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an Advisory Board composed equally of participants in the Pool and other persons who do not have a business relationship with the Pool who are qualified to advise the Pool.

Disclosure relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. Currently, the City does not have any investments inherent to interest rate risk.

**CITY OF MOUNT VERNON, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025**

As of September 30, 2025, the City had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
Texstar	\$ 296,985	109
Lone Star Investment Pool	27,760	92
Total	<u>324,745</u>	

Custodial Credit Risk

To control custody and safekeeping risk, state law and the City's adopted investment policy require collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the City and held in the City's name. The custodian is required to provide original safekeeping of receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 100% and be executed under written agreements. Depository agreements are executed under agreements.

The City strives to minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment by limiting investment to the safest types of investments, pre-qualifying the financial institutions in which the City will do business, and diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

D. PROPERTY TAXES

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed value represents the appraisal value less applicable exemptions authorized by the City Council. The Appraisal Board of Review establishes appraised values at 100% for estimated market value. A tax lien attaches to the property on January 1 of each year to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on that property, whether or not the taxes are imposed in the year the lien attaches.

Revenues are recognized as the related ad valorem taxes are collected. Additional delinquent property taxes estimated to be collectible within sixty days following the close of the fiscal year have been recognized as revenue at the fund level.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios.

The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, including tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

The City's 2025 ad valorem tax rate of \$0.541890 is in compliance with the rate limitation.

CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

E. RECEIVABLES

Receivables as of year-end for the City's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Proprietary	Debt Service	Total
Receivables				
Taxes	213,456	\$ -	\$ 11,375	\$ 224,831
Warrants	343,585	-	-	343,585
Fees and Charges	-	42,066	-	42,066
	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	557,041	42,066	11,375	610,482
Less: Allowance for Uncollectible	(336,471)	-	(4,187)	(340,658)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Receivables	<u>\$ 220,570</u>	<u>\$ 42,066</u>	<u>\$ 7,188</u>	<u>\$ 269,824</u>

F. CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2025 was as follows:

	Beginning Balances	Additions	Transfers/ Decreases	Ending Balances
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 174,582	\$ -	\$ -	\$ 174,582
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<hr/> 174,582	<hr/> -	<hr/> -	<hr/> 174,582
Capital assets, being depreciated:				
Buildings and improvements	345,012	-	-	345,012
Infrastructure	4,115,885	162,662	-	4,278,547
Machinery & equipment	1,805,622	-	-	1,805,622
Total capital assets being depreciated	<hr/> 6,266,519	<hr/> 162,662	<hr/> -	<hr/> 6,429,181
Less accumulated depreciation for:				
Buildings & improvements	(345,012)	-	-	(345,012)
Infrastructure	(2,384,716)	(196,419)	-	(2,581,135)
Machinery & equipment	(1,402,176)	(71,930)	-	(1,474,106)
Total accumulated depreciation	<hr/> (4,131,904)	<hr/> (268,349)	<hr/> -	<hr/> (4,400,253)
Total capital assets, being depreciated, net	<hr/> 2,134,615	<hr/> (105,687)	<hr/> -	<hr/> 2,028,928
Governmental activities capital assets, net	<u>\$ 2,309,197</u>	<u>\$ (105,687)</u>	<u>\$ -</u>	<u>\$ 2,203,510</u>

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Beginning Balances	Additions	Transfers/ Decreases	Ending Balances
Business-type Activities:				
Water/Sewer/Sanitation				
Capital assets, not being depreciated				
Land	\$ 439,159	\$ -	\$ -	\$ 439,159
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	<u>439,159</u>	<u>-</u>	<u>-</u>	<u>439,159</u>
Capital assets, being depreciated:				
Infrastructure	17,627,390	1,477,207	-	19,104,597
Machinery & equipment	187,748	-	-	187,748
Total capital assets being depreciated	<u>17,815,138</u>	<u>1,477,207</u>	<u>-</u>	<u>19,292,345</u>
Less accumulated depreciation for:				
Infrastructure	(8,461,520)	(512,565)	-	(8,974,085)
Machinery & equipment	(187,748)	-	-	(187,748)
Total accumulated depreciation	<u>(8,649,268)</u>	<u>(512,565)</u>	<u>-</u>	<u>(9,161,833)</u>
Total capital assets, being depreciated, net	<u>9,165,870</u>	<u>964,642</u>	<u>-</u>	<u>10,130,512</u>
Business-type activities capital assets, net	<u>\$ 9,605,029</u>	<u>\$ 964,642</u>	<u>\$ -</u>	<u>\$ 10,569,671</u>

F. CAPITAL ASSETS (continued)

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

Governmental activities:		
General Government		\$ 7,885
Parks and Recreation		9,706
Public Safety		31,897
Public Works, including depreciation of general infrastructure assets		218,861
Total depreciation expense - governmental activity		<u>\$ 268,349</u>
Business-type activities:		
Water and Sewer		<u>\$ 512,565</u>

G. LONG-TERM OBLIGATIONS

A summary of long-term debt transactions, including the current portion, for the year ended September 30, 2025 is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Business-type Activities					
Water & Sewer					
Certificate of obligations	\$ 2,135,000	\$ -	\$ (45,000)	\$ 2,090,000	\$ 50,000
Bonds payable	2,467,384	-	(137,154)	2,330,230	137,154
Notes payable	497,766	81,200	(71,267)	507,699	73,788
TOTAL	<u>\$ 5,100,150</u>	<u>\$ 81,200</u>	<u>\$ (253,421)</u>	<u>\$ 4,927,929</u>	<u>\$ 260,942</u>

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Changes in Water Sewer Long-Term Debt

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding September 30, 2024	Issued	Retired	Amounts Outstanding September 30, 2025	Due Within One Year
Certificate of Obligations:							
Series 2013	0.00% to 2.82%	\$ 525,000	\$ 340,000	\$ -	\$ (15,000)	\$ 325,000	\$ 15,000
Series 2024	3.710% to 4.820%	1,795,000	1,795,000	-	(30,000)	1,765,000	35,000
General Obligation Bonds:							
Series 2021	2.00%	3,346,000	2,467,384	-	(137,154)	2,330,230	137,154
Notes Payable							
Governmental Capital	5.48%	497,766	497,766	-	(60,249)	437,517	63,550
Governmental Capital	5.31%	81,200	-	81,200	(11,018)	70,182	10,238
		<u>\$ 6,244,966</u>	<u>\$ 5,100,150</u>	<u>\$ 81,200</u>	<u>\$ (253,421)</u>	<u>\$ 4,927,929</u>	<u>\$ 260,942</u>

Debt service requirements are as follows:

Year Ending September 30:	Principal	Interest	Total Requirements
2026	\$ 260,942	\$ 159,477	\$ 420,419
2027	264,968	151,091	416,059
2028	269,214	142,651	411,865
2029	278,692	133,779	412,471
2030	283,414	124,621	408,035
2031 to 2035	1,092,009	509,201	1,601,210
2036 to 2040	1,045,770	379,378	1,425,148
2041 to 2045	647,920	242,985	890,905
2046 to 2050	395,000	150,901	545,901
2051 to 2054	390,000	48,000	438,000
Totals	<u>\$ 4,927,929</u>	<u>\$ 2,042,084</u>	<u>\$ 6,970,013</u>

The \$525,000 Combination Tax and Surplus Revenue Certification of Obligation, Series 2013 was issued for the purpose of wastewater infrastructure improvements. This debt has incremental interest rates of 0.00% - 2.82% over the life of the bond of 30 years. Debt obligations are to be paid from the collection of ad valorem taxes and net revenue of the water/sewer system. The debt matures in September

The \$3,346,000 City of Mount Vernon, Texas, General Obligation Refunding Bonds, Series 2021 were issued September 1, 2021 for the purpose of refunding past debt obligations, and paying the costs of issuance associated with the issuance of the bonds. The debt has an interest rate of 2.00% over the life of the bonds. The debt matures in 2043.

The \$1,795,000 City of Mount Vernon, Texas, Combination Tax and Surplus Revenue Certificates of Obligation were issued July 8, 2024 for the purpose of paying contractual obligations to be incurred for (i) improving and extending the City's waterworks and sewer system, including the acquisition of land and right-of-way therefor (the "Project") and (ii) professional services rendered in connection therewith. The debt matures in 2055.

The City executed a finance contract with Governmental Capital Corporation on September 13, 2024 to finance the digital water meter project. The has an interest rate of 5.48%, and call for seven yearly payments with a final maturity of September 13, 2031.

The City executed a finance contract with Governmental Capital Corporation on January 10, 2025 to finance the digital water meter project. The debt has an interest rate of 5.31%, and call for seven yearly payments with a final maturity of September 13, 2031.

H. COMPENSATED ABSENCES

Compensated absences represent the estimated liability for employees' accrued compensatory time and vacation leave which employees are entitled to be paid upon termination of employment if all requirements are met as stated in the personnel manual adopted by City Council. The retirement of this liability is typically paid from the General Fund and the Proprietary Funds based on the assignment of an employee at termination.

**CITY OF MOUNT VERNON, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025**

I. PENSION PLAN

1. Plan Description

The City participates as one of 921 plans in the defined benefit cash-balance plans administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.thrs.com.

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

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the City Council, 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. The retiring members may select one of seven monthly benefit payment 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 total member's contributions and interest.

Employees covered by benefit terms:

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

	<u>2024</u>
Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	19
Active employees	<u>28</u>
Total	<u>67</u>

3. Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of Member's total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the City Council. 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 city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

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 9.85% and 12.21% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2025 were \$210,691 and were equal to the required contributions.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

4. 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 TPL in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with 100% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for active, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4 year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and a 3.0% minimum mortality rate is applied, for males and females respectively, to reflect impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over a for-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-mortality assumption for Annuity Purchase Rate (APR's) is based on the Mortality Experience Study covering 2009 thru 2011 and dated December 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return (Arithmetic)</u>
Global equity	35.0%	7.10%
Core fixed income	6.0%	5.00%
Non-core fixed income	6.0%	6.80%
Other public and private market	4.0%	7.30%
Infrastructure	6.0%	6.00%
Real estate	12.0%	6.70%
Hedge fund	5.0%	6.40%
Private debt	13.0%	8.20%
Private equity	13.0%	8.50%
	<u>100.0%</u>	

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Discount Rate

The discount rate used to measure the TPL 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 TPL.

Changes in the Net pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2023	\$ 5,091,181	\$ 4,820,302	\$ 270,879
Changes for the year:			
Service cost	276,005	-	276,005
Interest (on the total pension liability)	343,446	-	343,446
Change in benefit terms including substantively automatic status	-	-	-
Difference between expected and actual experience	(58,604)	-	(58,604)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(282,178)	(282,178)	-
Contributions - employer	-	167,343	(167,343)
Contributions - employee	-	109,775	(109,775)
Net investment income	-	500,710	(500,710)
Administrative expense	-	(3,212)	3,212
Other	-	(76)	76
Net changes	278,669	492,362	(213,693)
Balance at December 31, 2024	\$ 5,369,850	\$ 5,312,664	\$ 57,186

Sensitivity of the net position 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 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
	\$ 835,961	\$ 57,186	\$ (574,921)

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.tMrs.org.

5. 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 \$213,429.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual economic experience	\$ 35,340	\$ 39,326
Changes in actuarial assumptions	-	9,540
Difference between projected and actual investment earnings	263,825	-
Contributions subsequent to the measurement date of December 31, 2024	159,748	-
	<u>\$ 458,913</u>	<u>\$ 367,594</u>

\$78,329 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Net deferred outflows (inflows) of resources:		
December 31,		
2025	\$	9,699
2026		35,169
2027		(78,230)
2028		(35,067)
2029		-
Thereafter		-
Total	<u>\$</u>	<u>(68,429)</u>

6. Group-term Life Insurance

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS, known as the Supplemental Death Benefits Fund ("SDBF"). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City 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 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); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit", or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Total OPEB Liability

The City of Mount Vernon's total OPEB liability of \$72,679 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	4.08%

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA index" rate as of December 31, 2024.

Mortality rates - service retirees:

2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are on a fully generational basis by the most recent Scale MP-2021(with immediate convergence).

Mortality rates - 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 the most recent Scale MP-2021 (with immediate convergence) to for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2024.

Membership

Number of:	
-Inactive employees currently receiving benefits	14
-Inactive employees entitled to but not yet receiving benefits	6
-Active employees	28
Total	<u>48</u>

Changes in the Total OPEB Liability:

Total OPEB Liability - beginning of year	\$ 64,374
Changes for the year:	
Service costs	5,802
Interest on total OPEB liability	2,504
Changes in benefit terms	-
Differences between expected and actual experience	5,620
Changes in assumptions or other inputs	(3,896)
Benefit payments	(1,725)
Total OPEB Liability - end of year	<u>\$ 72,679</u>

**CITY OF MOUNT VERNON, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025**

The following presents the Total OPEB Liability of the City of Mount Vernon, Texas, 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 percent) or 1-percentage-point higher (5.08%) than the current discount rate.

	1% Decrease (3.08%)	Current Discount (4.08)	1% Increase (5.08%)
Total OPEB Liability	\$ 86,389	\$ 72,679	\$ 61,971

Deferred (Inflows)/Outflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,805	\$ 3,493
Changes in assumptions and other inputs	1,956	12,436
Contributions made subsequent to measurement date	5,392	-
Total	<u>\$ 12,153</u>	<u>\$ 15,929</u>

Amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2025	\$ (6,522)
2026	(3,597)
2027	603
2028	344
2029	4
Thereafter	-
Total	<u>\$ (9,168)</u>

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

J. HEALTH CARE COVERAGE

During the year ended September 30, 2025, employees of the City were covered by a health insurance plan with the Texas Municipal League (TML). The contract between the City and TML is renewable October 1 of each fiscal year and the terms of coverage and premium costs are included in the contractual provision. For the current fiscal year, the City paid premium costs of approximately \$1,000 for each eligible employee.

K. INSURANCE COVERAGE

In accordance with state statute, the City was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Texas Municipal League, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims up to \$125,000 and for aggregate loss. According to the latest actuarial opinion dated October 1, 2022, the unfunded claim benefit obligation included no reported claims that were unpaid and no estimated claims incurred, but not reported.

L. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City had general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reimbursement. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

M. LITIGATION

Currently, management is unaware of significant pending litigation against the City.

N. TRANSFERS

Transfers between funds during the year were as follows:

Business-type activities:	
Utility Fund	\$ (309,411)
Total	\$ (309,411)
Governmental activities:	
Debt Service Fund	\$ (558,222)
General Fund	973,320
Fixed Asset Account Group	(105,687)
Total	\$ 309,411

O. SUBSEQUENT EVENTS

The City has evaluated all events or transactions that occurred after September 30, 2025 up through March 26, 2026, the date the financial statements were available to be issued. The following subsequent event should be noted:

In October 2025, the Texas Water Development Board approved a \$10,703,090 loan/grant for the replacement of 50-year old raw water system from Lake Cypress Springs to the City of Mount Vernon Water Treatment Plant. The replacement of this raw water line will provide sufficient water for significant growth and guarantee water service for another 50 to 60 years.

Grant funding will provide \$9,628,090 resulting in the cost of this project being \$1,075,000. Financing for the loan portion closed in March 2026.

**CITY OF MOUNT VERNON, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Q. CITY OF MOUNT VERNON ECONOMIC DEVELOPMENT CORPORATION

In accordance with GASB Statement No. 14, the Financial Reporting Entity, as amended by GASB Statement No. 39, the City of Mount Vernon Economic Development Corporation ("EDC") is a discretely presented component unit on the combined financial statements. The EDC is governed by a seven-member board appointed and serving at the pleasure of the City Council. The funding for EDC occurs by the City transferring 1/4 sales tax revenues collected by the City. The purpose for which the EDC is organized and may issue or incur bonds or other obligations on behalf of the City for the promotion and development of commercial, industrial and manufacturing enterprises, promotion and development and expansion of businesses enterprises, and to promote and encourage employment and public welfare.

2. Financial Statement Amounts

1. Stewardship, Compliance, and Accountability

a. Finance-related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

<u>Violation</u>	<u>Actions Taken</u>
None	n/a

b. Deficit Fund Balance of Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at fiscal year-end, if any, along with remarks which address such deficits:

<u>Violation</u>	<u>Actions Taken</u>
None	n/a

a. Deposits and Investments

Cash and cash equivalents, as of September 30, 2025, consist of and are classified in the accompanying financial statements as follows:

Statement of net position - unrestricted cash	
Total - Cash and cash equivalents	<u>\$ 714,256</u>

All bank balances were covered by FDIC or by collateral held by a third-party custodian.

b. Receivables

Receivables as of fiscal year-end for the EDC were \$78,866, representing sales tax owed from the City. Receivables were collected after year-end; therefore, no allowance for uncollectible accounts have been recorded.

c. Litigation

Management is not aware of any pending or threatened litigation involving the EDC.

e. Subsequent Events

EDC has evaluated all events or transactions that occurred after September 30, 2025 up through March 26, 2026 the date the financial statements were available to be issued. During this period, management was unaware of any subsequent events requiring disclosure.



REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MOUNT VERNON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

**SCHEDULE OF CONTRIBUTIONS
LAST SEVEN FISCAL YEARS (UNAUDITED)**

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Actuarially determined contribution	\$ 112,729	\$ 110,180	\$ 109,526	\$ 140,511	\$ 210,692
Contributions in relation to the actuarially determined contribution	\$ 112,729	\$ 110,180	\$ 109,526	\$ 140,511	\$ 210,692
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 989,498	\$ 1,045,585	\$ 1,182,606	\$ 1,461,936	\$ 1,755,467
Contributions as a percentage of covered employee payroll	11.39%	10.54%	9.26%	9.61%	12.00%
	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Actuarially determined contribution	\$ 108,364	\$ 109,526	\$ 85,194	\$ 83,684	\$ 79,427
Contributions in relation to the actuarially determined contribution	\$ 108,364	\$ 109,526	\$ 85,194	\$ 83,684	\$ 79,427
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 980,823	\$ 1,182,606	\$ 836,054	\$ 821,236	\$ 779,460
Contributions as a percentage of covered employee payroll	11.05%	9.26%	10.19%	10.19%	10.19%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	19 Years (Longest Amortization Ladder)
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 vary by age. 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes There were no benefit changes during the year.

See accompanying notes to these financial statements for more detail.

CITY OF MOUNT VERNON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS-TMRS

	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability										
Service cost	\$ 276,005	\$ 202,409	\$ 175,938	\$ 165,957	\$ 151,193	\$ 154,676	\$ 141,782	\$ 132,180	\$ 129,920	\$ 116,217
Interest (on the Total Pension Liability)	343,446	318,075	289,893	279,767	274,716	256,315	237,944	227,715	210,593	204,478
Changes of benefit terms	-	92,449	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(58,604)	127,138	53,614	(172,932)	(219,010)	6,886	23,886	(73,393)	56,078	19,697
Change of assumptions	-	(34,320)	-	-	-	12,549	-	-	-	2,474
Benefit payments, including refunds of employee contributions	(282,178)	(266,286)	(148,950)	(106,569)	(172,344)	(139,819)	(135,976)	(143,523)	(144,604)	(157,287)
Net Change in Total Pension Liability	278,669	439,465	370,495	166,223	34,555	290,607	267,636	142,979	251,987	185,579
Total Pension Liability - Beginning	5,091,181	4,651,716	4,281,221	4,114,998	4,080,443	3,789,836	3,522,200	3,379,221	3,127,234	2,941,655
Total Pension Liability - Ending	<u>\$ 5,369,850</u>	<u>\$ 5,091,181</u>	<u>\$ 4,651,716</u>	<u>\$ 4,281,221</u>	<u>\$ 4,114,998</u>	<u>\$ 4,080,443</u>	<u>\$ 3,789,836</u>	<u>\$ 3,522,200</u>	<u>\$ 3,379,221</u>	<u>\$ 3,127,234</u>
Plan Fiduciary Net Position										
Contribution - employer	\$ 167,343	\$ 105,610	\$ 111,880	\$ 117,626	\$ 109,365	\$ 109,951	\$ 107,602	\$ 95,477	\$ 83,684	\$ 84,025
Contribution - employee	109,775	83,345	76,781	72,290	67,154	68,658	63,296	58,524	57,487	54,562
Net investment income	500,710	508,465	(342,668)	531,901	287,643	502,527	(99,474)	403,187	184,500	4,054
Benefit payments, including refunds of employee contributions	(282,178)	(266,286)	(148,950)	(106,569)	(172,344)	(139,819)	(135,976)	(143,523)	(144,604)	(157,287)
Administrative expense	(3,212)	(3,234)	(2,966)	(2,462)	(1,863)	(2,842)	(1,922)	(2,089)	(2,084)	(2,469)
Other	(76)	(23)	3,539	17	(72)	(88)	(100)	(106)	(112)	(122)
Net Change in Plan Fiduciary Net Position *	492,362	427,877	(302,384)	612,803	289,883	538,387	(66,574)	411,470	178,871	(17,237)
Plan Fiduciary Net Position - Beginning	4,820,302	4,392,425	4,694,809	4,082,006	3,792,123	3,253,736	3,320,310	2,908,840	2,729,969	2,747,206
Plan Fiduciary Net Position - Ending	<u>\$ 5,312,664</u>	<u>\$ 4,820,302</u>	<u>\$ 4,392,425</u>	<u>\$ 4,694,809</u>	<u>\$ 4,082,006</u>	<u>\$ 3,792,123</u>	<u>\$ 3,253,736</u>	<u>\$ 3,320,310</u>	<u>\$ 2,908,840</u>	<u>\$ 2,729,969</u>
Net Pension Liability - Ending	<u>\$ 57,186</u>	<u>\$ 270,879</u>	<u>\$ 259,291</u>	<u>\$ (413,588)</u>	<u>\$ 32,992</u>	<u>\$ 288,320</u>	<u>\$ 536,100</u>	<u>\$ 201,890</u>	<u>\$ 470,381</u>	<u>\$ 397,265</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	98.94%	94.68%	94.43%	109.66%	99.20%	92.93%	85.85%	94.27%	86.08%	87.30%
Covered employee payroll	\$ 1,568,210	\$ 1,190,640	\$ 1,096,869	\$ 1,032,711	\$ 959,346	\$ 980,823	\$ 904,223	\$ 836,054	\$ 821,236	\$ 779,460
Net Pension Liability as a percentage of covered employee payroll	3.65%	22.75%	23.64%	-40.05%	3.44%	29.40%	59.29%	24.15%	57.28%	50.97%

**CITY OF MOUNT VERNON, TEXAS
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
 AND RELATED RATIOS-TMRS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB liability								
Service cost	\$ 5,802	\$ 4,286	\$ 5,704	\$ 6,403	\$ 4,509	\$ 3,335	\$ 3,436	\$ 2,843
Interest (on the Total OPEB Liability)	2,504	2,392	1,658	1,603	2,395	2,641	2,417	2,398
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	5,620	(981)	(8,637)	1,883	(22,764)	(2,098)	(2,514)	-
Change of assumptions	(3,896)	2,644	(27,471)	2,658	9,937	12,414	(4,215)	4,829
Benefit payments, including refunds of employee contributions	(1,725)	(1,786)	(1,426)	(2,995)	(959)	(981)	(814)	(752)
Net Change in Total Pension Liability	8,305	6,555	(30,172)	9,552	(6,882)	15,311	(1,690)	9,318
Total OPEB Liability - Beginning	64,374	57,819	87,991	78,439	85,321	70,010	71,700	62,382
Total OPEB Liability - Ending	\$ 72,679	\$ 64,374	\$ 57,819	\$ 87,991	\$ 78,439	\$ 85,321	\$ 70,010	\$ 71,700
Covered employee payroll	\$ 1,568,210	\$ 1,190,640	\$ 1,096,869	\$ 1,032,711	\$ 959,356	\$ 980,823	\$ 904,223	\$ 904,223
Total OPEB Liability as a percentage of covered employee payroll	4.63%	5.41%	5.27%	8.52%	8.18%	8.70%	7.74%	7.93%

See accompanying notes to these financial statements for more detail.

Notes:

1. Years will continue to be added until there are 10 years for comparison
2. Membership counts for inactive employees receiving or entitled to but not yet receiving benefits will differ from GASB 68 as they include only those eligible for a SDBF benefit (i.e. excludes beneficiaries, non vested terminations due a refund, etc.)
3. Due to SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to employer's yearly contributions for retirees.

CITY OF MOUNT VERNON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE				
Property taxes	\$ 1,327,000	\$ 1,327,000	\$ 980,647	\$ (346,353)
Fines and forfeitures	59,600	59,600	78,160	18,560
Licenses and permits	116,100	116,100	166,202	50,102
Sales taxes collected	1,100,000	1,100,000	863,142	(236,858)
Franchise tax	165,000	165,000	137,768	(27,232)
Hotel tax	10,000	10,000	27,334	17,334
Charge for services	549,900	549,900	609,151	59,251
Intergovernmental revenues-state and local	31,200	31,200	80,734	49,534
Investment income	25,000	25,000	15,599	(9,401)
Miscellaneous	11,000	11,000	10,727	(273)
Total Revenues	3,394,800	3,394,800	2,973,766	(421,034)
EXPENDITURES				
General government	895,725	895,725	698,003	197,722
Public safety	1,417,007	1,417,007	1,615,062	(198,055)
Public services and operations	188,265	188,265	253,105	(64,840)
Public works	290,450	290,450	187,700	102,750
Parks and recreation	61,500	61,500	72,378	(10,878)
Sanitation	316,000	316,000	428,597	(112,597)
Capital outlay:				
Public safety	-	-	23,698	(23,698)
Public works	-	-	45,880	(45,880)
Total Expenditures	3,168,947	3,168,947	3,324,423	(155,476)
Excess (deficiency) of revenues over (under) expenditures	225,853	225,853	(350,657)	(576,510)
Other Revenues and Financing Sources (uses)				
Transfers	-	-	867,633	867,633
Total Other Financing Sources (uses)	-	-	867,633	867,633
Excess of revenues and other financing sources over (under) expenditures and other financing uses	225,853	225,853	516,976	291,123
Fund Balances/Equity, October 1	1,298,910	1,298,910	1,298,910	
Fund Balances/Equity, September 30	\$ 1,524,763	\$ 1,524,763	\$ 1,815,886	

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



SUPPLEMENTARY INFORMATION

CITY OF MOUNT VERNON, TEXAS
BALANCE SHEET - COMPONENT UNIT
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2025

	<u>EDC</u> <u>Fund</u>
ASSETS	
Cash and cash equivalents	\$ 714,256
Receivables (net of allowances for uncollectible)	78,869
Total Assets	<u>793,125</u>
Fund Balances	
Assigned	<u>793,125</u>
Total Fund Balances	<u>793,125</u>
Total Liabilities and Fund Balances	<u>\$ 793,125</u>

**CITY OF MOUNT VERNON, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION-ECOMONIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2025**

Total Fund Balances - Governmental Funds Balance Sheet	\$	793,125
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$	347,953
Net Position of Governmental Activities - Statement of Net Position	\$	<u>1,141,078</u>

**CITY OF MOUNT VERNON, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - COMPONENT UNIT
 ECONOMIC DEVELOPMENT CORPORATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	EDC Fund
REVENUE	
Sales tax collected	\$ 421,076
Investment Income	22,411
Miscellaneous	-
Total Revenues	<u>443,487</u>
 EXPENDITURES	
Current:	
Personnel costs	92,623
Promotion and advertising	113,722
Supplies and materials	1,720
Contractual services	3,588
Projects and incentives	394,805
Scholarships	2,000
Total Expenditures	<u>608,458</u>
 Net Change in Fund Balances	 (164,971)
 Fund Balances, October 1	 <u>958,096</u>
Fund Balances, September 30	<u><u>\$ 793,125</u></u>

**CITY OF MOUNT VERNON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES-ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Net Change in Fund Balances - Total Governmental Funds \$ (164,971)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the \$ 347,953 statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Change in Net Position of Governmental Activities - Statement of Activities \$ 182,982

RESOLUTION No. 26-07

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, TEXAS, ADOPTING AN AGREEMENT BETWEEN THE MOUNT VERNON ECONOMIC DEVELOPMENT CORPORATION, CITY COUNCIL AND DR MARIE LATORTUE AND DR JEAN LATORTUE, OWNERS OF CARIBBEAN BASIN BROKERS, LLC, FOR THE PROPERTY LOCATED AT 257 TEXAS HIGHWAY 67, MOUNT VERNON, TEXAS

WHEREAS, The City Of Mount Vernon Economic Development Corporation is a Type B economic development corporation, as adopted by the citizens of Mount Vernon by election in 1994 and City Council of the City of Mount Vernon provides oversight to the Moun Vernon Economic Development Corporation; and

WHEREAS, the City Council and Economic Development Corporation desire to assist in the improvement and further economic development of commercial property in the community; and

WHEREAS, the Economic Development Corporation finds it in the best interest of future economic development in the community to enter into an agreement with Dr Marie Latortue and Dr Jean Latortue, owners of Caribbean Basin Brokers, LLC, for the property located at 257 Texas Highway 67, Mount Vernon, Texas, 75457.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, TEXAS:

The City Council approves the adoption of agreement with Dr Marie Latortue and Dr Jean Latortue, owners of Caribbean Basin Brokers, LLC as described in Exhibit A, "Agreement"

PASSED AND APPROVED this the 13th day of April, 2026.

Approved:

By: _____
Brad Hyman, Mayor

Attest:

By: _____
Angie Pike, City Secretary

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This **ECONOMIC DEVELOPMENT PROGRAM AGREEMENT** (“**Agreement**”) is entered into by and between the **CITY OF MOUNT VERNON ECONOMIC DEVELOPMENT CORPORATION**, an economic development corporation organized under the laws of the State of Texas, specifically, but not limited to Chapter 505 of the Texas Local Government Code (the “**MVEDC**”), and Dr. Marie Latortue and Dr. Jean Latortue, owners of Caribbean Basin Brokers, LLC (the “**Grantee**”). The MVEDC and Grantee are collectively referred to as the “**Parties**”.

RECITALS

The MVEDC and Grantee hereby agree that the following statements are true and correct and constitute the basis upon which the MVEDC and Grantee have entered into this Agreement:

A. Grantee owns and will operate a business in an existing building located at 257 US Highway 67, Mount Vernon, Texas (the “**Property**”), as a distribution warehouse and retail site.

B. In order to maximize the economic benefits that the Eligible Improvements can bring to the City of Mount Vernon, the MVEDC and Grantee desire to enter into this Agreement which will provide economic incentives for the creation of full-time employment of individuals at the Property.

C. In accordance with Res 14-03, attached hereto as Exhibit “A” and hereby made a part of this Agreement for all purposes, the MVEDC has established an economic development incentive policy and program pursuant to which the MVEDC will, on a case-by-case basis, offer economic incentive packages authorized by , Article III, Section 52-a of the Texas Constitution, Chapters 501, 502 and 505 of the Texas Local Government Code, and other applicable laws, that include monetary reimbursements and grants of public money for full-time employment of individuals at the Property (the “**Program**”).

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. INCORPORATION OF RECITALS.

The MVEDC has found at a duly-called and legally-noticed public meeting that the recitals set forth above are incorporated herein and true and correct and form the basis upon which the Parties have entered into this Agreement.

2. **DEFINITIONS.**

In addition to terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

Affiliate means all entities, incorporated or otherwise, under common control with, controlled by or controlling Grantee. For purposes of this definition, “control” means fifty percent (50%) or more of the ownership determined by either value or vote.

Director means the director of the City of Mount Vernon Economic Development Corporation.

Effective Date has the meaning ascribed to it in Section 3.

Program has the meaning ascribed to it in Recital C.

Program Grant means the economic development grants paid by the MVEDC to Grantee in accordance with this Agreement and as part of the Program, not to exceed fifty thousand dollars (\$50,000) in renovation reimbursement for Existing Business Structure Assistance.

Program Source Funds means an amount of MVEDC funds available for inclusion in the Program Grant that is payable pursuant to this Agreement, not to exceed fifty thousand dollars (\$50,000) in renovation reimbursement for Existing Business Structure Assistance.

Property has the meaning ascribed to it in the Recital A.

Monthly Expense Report has the meaning ascribed to in Section 5.1

Monthly Payment has the meaning ascribed to it in Section 5.1.2.

Term has the meaning ascribed to it in Section 3.

3. **TERM.**

This Agreement shall be effective as of the later of the date of execution by the Parties or April 1, 2026 (the “**Effective Date**”) and, unless terminated earlier in accordance with this Agreement, shall expire on the date as of which the MVEDC has paid all Program Grants required, or March, 31, 2031, whichever occurs first (the “**Term**”).

4. **OBLIGATIONS OF GRANTEE.**

4.1. Establish and Maintain a Business at the Property

In accordance with the terms and conditions of this Agreement, Grantee shall establish and maintain a business at the Property through the Term in order to receive all, or any portion, of the Program Grant.

4.1.1 Business Recruitment Incentive

a. On the Effective Date the MVEDC will grant to the Grantee the following: reimbursement for renovation for Existing Business Structure Assistance expenses encumbered or paid not to exceed a cumulative total of \$50,000.

4.1.2 Requirements throughout Term of Agreement

- a. Owners agree to petition for voluntary annexation into the City of Mount Vernon within three years of the effective date of this agreement.
- b. Owners agree to keep the business open throughout the term of the agreement. If the business is to cease operations or discontinue the owner agrees to repay the amount of the incentive.

5. CITY OBLIGATIONS.

5.1. Issuance of Program Grant for Jobs

The City will make payment of the Program Source Funds on the Effective Date for renovation expenses upon the delivery of receipts for payment of eligible renovation expenses and documentation of completed renovation. The payment of Program Source Funds to Grantee shall be as follows:

5.1.1. Upon receipt of the documentation of payment for eligible renovation costs, the MVEDC will, within fifteen (15) days, pay to Grantee the reimbursement amounts. for each eligible expense.

6. DEFAULT, TERMINATION AND FAILURE BY GRANTEE TO MEET VARIOUS DEADLINES AND COMMITMENTS.

6.1 Failure to Pay City of Mount Vernon, Texas Taxes.

Upon annexation, An event of default shall occur under this Agreement if any legally-imposed City of Mount Vernon, Texas ("**City**") taxes owed on the Property by Grantee or an Affiliate or arising on account of Grantee or an Affiliate's operations on the Property become delinquent and Grantee or the Affiliate does not either pay such taxes or follow the legal procedures for protest and/or contest of any such taxes. In this event, the MVEDC shall notify Grantee in writing and Grantee shall have sixty (60) calendar days to cure such default. If the default has not been fully cured by such time, the MVEDC shall have the right to terminate this Agreement immediately by providing written notice to Grantee and shall have all other rights and remedies that may be available to it under the law or in equity.

6.3. Violations of City Code, State or Federal Law.

Upon annexation, An event of default shall occur under this Agreement if any written citation is issued to Grantee or an Affiliate due to the occurrence of a violation of a material provision of the City Code on the Property or on or within the Eligible Improvements (including, without limitation, any violation of the City's Building or Fire Codes and any other City Code violations related to the environmental condition of the Property; the environmental condition of other land or waters which is attributable to operations on the Property; or to matters concerning the public health, safety or welfare) and such citation is not paid or the recipient of such citation does not properly follow the legal procedures for protest and/or contest of any such citation. An event of default shall occur under this Agreement if the City is notified by a governmental agency or unit with appropriate jurisdiction that Grantee or an Affiliate, or any successor in interest thereto, any third party with access to the Property pursuant to the express or implied permission of Grantee or an Affiliate, or any a successor in interest thereto, or the City (on account of the Improvements or the act or omission of any party other than the City on or after the effective date of this Agreement) is in violation of any material state or federal law, rule or regulation on account of the Property, improvements on the Property or any operations thereon (including, without limitation, any violations related to the environmental condition of the Property; the environmental condition of other land or waters which is attributable to operations on the Property; or to matters concerning the public health, safety or welfare). Upon the occurrence of such default, the MVEDC shall notify Grantee in writing and Grantee shall have (i) thirty (30) calendar days to cure such default, or such shorter period of time if the MVEDC determines there to be an urgent public necessity, or (ii) if Grantee has diligently pursued cure of the default but such default is not reasonably curable within thirty (30) calendar days, then such amount of time that the City reasonably agrees is necessary to cure such default. If the default has not been fully cured by such time, the MVEDC shall have the right to terminate this Agreement immediately by providing written notice to Grantee and shall have all other rights and remedies that may be available to under the law or in equity.

6.4. Knowing Employment of Undocumented Workers.

Grantee acknowledges that effective September 1, 2007, the MVEDC is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. The following requirements shall only apply to the Property and Eligible Improvements that are directly the subject of the Program Grant contained herein, and not otherwise. Grantee *hereby certifies that Grantee, and any branches, divisions, or departments of Grantee, does not and will not knowingly employ an undocumented worker, as that term is defined by Section 2264.001(4) of the Texas Government Code. In the event that Grantee, or any branch, division, or department of Grantee, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens):*

- *if such conviction occurs during the Term of this Agreement, this Agreement shall terminate contemporaneously upon such conviction (subject to any appellate rights that may lawfully be available to and exercised by Grantee) and Grantee shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the MVEDC, the aggregate amount of the Program Grants received by Grantee hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum; or*
- *if such conviction occurs after expiration or termination of this Agreement, subject to any appellate rights that may lawfully be available to and exercised by Grantee, Grantee shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the MVEDC, the aggregate amount of the Program Grants received by Grantee hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum.*

For the purposes of Section 6.4, “Simple Interest” is defined as a rate of interest applied to the aggregate amount of the Program Grants. This Section 6.4 does not apply to convictions of any subsidiary or affiliate entity of Grantee, by any franchisees of Grantee, or by a person or entity with whom Grantee contracts. Notwithstanding anything to the contrary herein, this Section 6.4 shall survive the expiration or termination of this Agreement.

6.5. General Breach.

Unless stated elsewhere in this Agreement, Grantee shall be in default under this Agreement if Grantee breaches any term or condition of this Agreement, including but not limited to the provision of Section 4.1.2. In the event that such breach remains uncured after thirty (30) calendar days following receipt of written notice from the MVEDC referencing this Agreement (or, if Grantee has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty (30) calendar days to cure, then such additional amount of time as is reasonably necessary to effect cure, as determined by both parties mutually and in good faith), the MVEDC shall have the right to terminate this Agreement immediately by providing written notice to Grantee.

7. NO INDEPENDENT CONTRACTOR OR AGENCY RELATIONSHIP.

It is expressly understood and agreed that Grantee shall not operate as an independent contractor or as an agent, representative or employee of the MVEDC. Grantee shall have the exclusive right to control all details and day-to-day operations relative to the Eligible Improvements, Property and any improvements thereon and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees and invitees. Grantee acknowledges that the doctrine of *respondeat superior* will not apply as between the MVEDC and Grantee, its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Grantee further agrees that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the MVEDC and Grantee.

8. INDEMNIFICATION.

GRANTEE, AT NO COST TO THE MVEDC, AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS ELECTED AND APPOINTED OFFICIALS, OFFICERS, ATTORNEYS, AGENTS SERVANTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO GRANTEE'S BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) GRANTEE BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT; OR (ii) ANY ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF GRANTEE, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS, OR SUBCONTRACTORS DUE OR RELATED TO OR ARISING FROM THE ELIGIBLE IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES, INCLUDING EMPLOYMENT, ON THE PROPERTY OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT.

9. NOTICES.

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:

CITY:

**City of Mount Vernon Economic
Development Corporation**

Attn: Economic Development Director
109 North Kaufman
P.O. Box 597
Mount Vernon, Texas 75457

GRANTEE:

**Dr. Marie Latortue and Dr. Jean Latortue
Caribbean Basi Brokers, LLC.**

Address:
257 US Highway 67
Mount Vernon, Texas 75457

**With Copies to (which shall not
constitute notice):**

Boyle & Lowry, L.L.P.
Attn: L. Stanton Lowry
4201 Wingren Dr., Suite 108
Irving, Texas 75062

10. ASSIGNMENT AND SUCCESSORS.

Grantee may assign, transfer or otherwise convey any of its rights or obligations under this Agreement to an Affiliate only upon the express written approval of the MVEDC and the Grantee, the Affiliate and the MVEDC first execute an agreement approved by the MVEDC Attorney under which the Affiliate agrees to assume and be bound by all covenants and obligations of Grantee under this Agreement. Grantee may also assign its rights and obligations under this agreement to a financial institution or other lender for purposes of granting a security interest in the Eligible Improvements and/or Property, provided that such financial institution or other lender first executes a written agreement with the MVEDC governing the rights and obligations of the MVEDC, Grantee and the financial institution or other lender with respect to such security interest approved by the MVEDC Attorney. Otherwise, Grantee may not assign, transfer or otherwise convey any of its rights or obligations under this Agreement to any other person or entity without the prior consent of the MVEDC, which consent may be withheld in the sole discretion of the MVEDC. Any attempted assignment without the MVEDC’s prior consent shall constitute a breach and be grounds for termination of this Agreement and following receipt of written notice from the MVEDC to Grantee. Any lawful assignee or successor in interest of Grantee of all rights under this Agreement shall be deemed “Grantee” for all purposes under this Agreement.

11. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.

This Agreement will be subject to all applicable federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all provisions of the City's codes and ordinances, as amended.

12. GOVERNMENTAL POWERS.

It is understood that by execution of this Agreement, the MVEDC does not waive or surrender any of its governmental powers or immunities that are outside of the terms, obligations, and conditions of this Agreement.

13. NO WAIVER.

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

14. VENUE AND JURISDICTION.

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in Franklin County, Texas or the United States District Court for the Eastern District of Texas. This Agreement shall be construed in accordance with the laws of the State of Texas.

15. NO THIRD PARTY RIGHTS.

The provisions and conditions of this Agreement are solely for the benefit of the MVEDC and Grantee, and any lawful assign or successor of Grantee, and are not intended to create any rights, contractual or otherwise, to any other person or entity.

16. FORCE MAJEURE.

It is expressly understood and agreed by the Parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, or other circumstances which are reasonably beyond the control or knowledge of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such requirement shall be extended for a period of time equal to the period such party was delayed.

17. INTERPRETATION.

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement.

18. SEVERABILITY CLAUSE. It is hereby declared to be the intention of the Parties that sections, paragraphs, clauses and phrases of this Agreement are severable, and if any phrase, clause, sentence, paragraph or section of this Agreement shall be declared unconstitutional or illegal by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or illegality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Agreement since the same would have been executed by the Parties without the incorporation in this Agreement of any such unconstitutional phrase, clause, sentence, paragraph or section. It is the intent of the Parties to provide the economic incentives contained in this Agreement by all lawful means.

19. CAPTIONS.

Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

20. ENTIRETY OF AGREEMENT.

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Grantee, and any lawful assign and successor of Grantee, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties and approved by the MVEDC in an open meeting held in accordance with Chapter 551 of the Texas Government Code.

21. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

EXECUTED as of the last date indicated below:

MVEDC:

GRANTEE: Caribbean Basin Brokers:

By: _____
Mark Sachse
Board President, MVEDC

By: _____
Dr. Marie Jean Latortue

By: _____
Dr. Jean Latortue

Date: _____

Date: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

SWORN TO AND SUBSCRIBED BEFORE ME on the _____ day of _____,
2026, by _____, _____ on behalf of Caribbean Basin Brokers Mt Vernon.

Notary Public in and for the State of Texas

**MOUNT VERNON ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
President
Mount Vernon Economic
Development Corporation

Date: _____

APPROVED AS TO FORM AND LEGALITY:

By: _____
L. Stanton Lowry
MVEDC Attorney

EXHIBITS

“A” – City of Mount Vernon Resolution No. 14-03, establishing the Program

“B” – Application

RESOLUTION 14-03

A RESOLUTION ADOPTING MOUNT VERNON'S EXISTING BUSINESS STRUCTURE ASSISTANCE PROGRAM: AN AGREEMENT BETWEEN THE MOUNT VERNON CITY COUNCIL AND THE MOUNT VERNON ECONOMIC DEVELOPMENT CORPORATION

WHEREAS, the City of Mount Vernon is a Type B economic development corporation as adopted by the citizens of Mount Vernon by election in 1994;

WHEREAS, the Council of the City of Mount Vernon provides oversight to the Mount Vernon Economic Development Corporation; and

WHEREAS, the City of Mount Vernon desires to assist in enhancement and upgrade of existing business building structures to better foster business development and foster increase in ad valorem tax base;

Now, therefore BE IT RESOLVED BY THE CITY OF MOUNT VERNON, TEXAS THAT:

The City Council adopts and approves the Existing Business Structure Assistance Program as established by the Mount Vernon Economic Development Corporation.

PASSED, APPROVED, AND ADOPTED THIS 10th day of February, 2014

Margaret Sears
Margaret Sears - Mayor

ATTEST:

Tina Rose, City Secretary Tina Rose



Mount Vernon Economic Development Corporation

109 N. Kaufman St., Mount Vernon, TX 75457

Application for Economic Development Assistance

**APPLICATION MUST BE FILLED OUT AND RETURNED BEFORE THE PROJECT STARTS
(emergency situations will be considered on a case-by-case basis.)**

The following information is requested for all projects seeking economic development assistance from the Mount Vernon Economic Development Corporation (MVEDC). Please fill in all spaces on the application form. If the information requested is not applicable, enter "N/A" in the space. Incomplete applications will not be considered for assistance. Following receipt of the application, MVEDC may require additional information to be submitted to indicate the financial abilities or other factors of the company.

Applicant/Business Name		Business Ownership	
Caribbean Basin Brokers LLC		Dr. Marie Latortue DDS, MS Dr. Latortue, MD	
Business Type			
Sole Proprietorship _____ Partnership <input checked="" type="checkbox"/> Corporation _____ Other (Please Explain and provide proof)			
Date of Business Establishment		November 12, 2022	
Mailing Address (Business Headquarters)			
102 Jackal Trail Court			
City Montgomery		State Texas	Zip Code 77316
Phone Number: [REDACTED]		Fax Number	

Applicant's Representative:		
Dr. Marie Latortue		Title: CEO
Mailing Address (if different from above)		
City	State	Zip Code
Phone Number	Fax Number	Email Address
██████████		████████████████████

Additional Authorized Representative		Title
Dr. Jean Latortue		Vice-President
Mailing Address (if different from above)		
506 Texas Highway 37 S		
City Mount Vernon	State Texas	Zip Code 75457
Phone Number	Fax Number	Email Address:
██████████		████████████████████

Project Information

Description of the Project	
<p>Caribbean Basin Brokers is in the process of acquiring a strategically situated facility in Mount Vernon, poised to become a dedicated warehouse for the comprehensive storage of a diverse range of goods and products vital to the company’s operations. This facility will not only function as a spacious storage area but will also include a modern, well-equipped office suite designed to support administrative tasks and facilitate seamless business operations.</p> <p>This move represents a significant milestone for Caribbean Basin Brokers, as the company plans to relocate its headquarters from Montgomery, Texas, to Mount Vernon. This transition marks a new chapter in the organization’s evolution, targeted at enhancing logistics capabilities and optimizing the supply chain. The strategically chosen location is anticipated to greatly improve operational efficiency and service delivery, ultimately benefiting the company’s valued clients.</p> <p>Moreover, the new facility is expected to be a catalyst for job creation within the Mount Vernon community, providing a wide array of employment opportunities that will invigorate the local job market. This initiative not only aims to strengthen Caribbean Basin Brokers’ position in the industry but also to contribute positively to the economic development of the area, enriching residents' lives through new job prospects and enhanced service availability.</p>	
NAICS Code	NAICS Code Description (if multiple, please list all that apply)
424340	Footwear merchant wholesalers
424320	Accessories, clothing, men's and boys', merchant wholesaler
424350	Clothing and Clothing Accessories Merchant Wholesaler
Property Address	Legal Description (attach if necessary)
257 E Highway 67 Mount Vernon, TX 75457	Land surveyor

Is this Project inside the City limits?	Yes <input checked="" type="checkbox"/>	No		
Is this Project in the Historic District?	Yes	No <input checked="" type="checkbox"/>		
If Yes, does this Project require approval from the Landmark Commission?	Yes	No <input checked="" type="checkbox"/>		
Date of Landmark Commission Review				
Will this Project generate sales tax?	Yes <input checked="" type="checkbox"/>	No		
What is your taxpayer ID?	92-2806032			
Anticipated Total Sales				
Year 1	Year 2	Year 3	Year 4	Year 5
\$1,000.000	1,200.000	1,400.000	\$1,600.000	1,800.000
Anticipated Total Taxable Sales (excludes items that are exempt from sales tax)				
Year 1	Year 2	Year 3	Year 4	Year 5

Does this Project create or retain jobs?		Yes <input checked="" type="checkbox"/>	No		
Jobs Created (new jobs that did not exist prior to this project)					
Year 1 (Positions/FTEs)	Year 2 (Positions/FTEs)	Year 3 (Positions/FTEs)	Year 4 (Positions/FTEs)	Year 5 (Positions/FTEs)	
1-Warehouse Manager 2-Inventory Manager 3-Housekeeping personnel 4-Stockers/ Handlers 5-Administrative support	1-Logistics Coordinator 2-Supervisor	1-Forklift Drivers/Equipment Operators 2-Shipping coordinator	1-Warehouse IT Support 2-Quality control inspector	General labor associate	
Average Annual Salary					
Manager: \$50,000	Supervisor: \$38,000	Forklift operator: \$35,000	Warehouse manager: \$33,000	General Associate \$34,000	
Jobs Retained (jobs that would likely be lost without this project)					
Year 1 (Positions/FTEs)	Year 2 (Positions/FTEs)	Year 3 (Positions/FTEs)	Year 4 (Positions/FTEs)	Year 5 (Positions/FTEs)	
Average Annual Salary					
Does the applicant own or lease the property associated with this Project?		Own <input checked="" type="checkbox"/>	Lease		
Property Owner Information, if leased					
Property Owner Name					
Property Owner Phone Number					
Property Owner Email					

Property Owner Address			
City		State	Zip Code
Lease Amount		Period (Annually/Monthly)	

PROOF OF LEASE WILL BE REQUIRED

Current Appraised Value of Property		
Are all Property Taxes Paid on this Property?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If No, please explain		
Are Improvements being made to the Property?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Estimated Cost of Improvements to be Made	\$120,000	
Anticipated Construction Start Date	March 1, 2026	
Anticipated Construction Completion Date	May 30, 2026	
Description of Improvements to be Made		

The structure is scheduled for a fresh coat of paint to enhance its appearance. Given its age and the findings outlined in the inspector's comprehensive report, it is evident that the roof requires significant repairs or, potentially, a full replacement to ensure safety and longevity. Additionally, the air conditioning system, well past its prime, is in dire need of modernization to improve efficiency and occupant comfort.

PLEASE PROVIDE WRITTEN BIDS OR COST ESTIMATES REGARDING ANY PROPOSED IMPROVEMENTS.

[Documents attached](#)

Please indicate any of the following that you have consulted on this Project (check as many as apply)			
	Ark-Tex Council of Governments	<input checked="" type="checkbox"/>	Franklin County
	Franklin County Chamber of Commerce		Local Workforce Board
<input checked="" type="checkbox"/>	North Texas Community College	<input checked="" type="checkbox"/>	Small Business Development Administration
	Texas Workforce Commission		
Other, please specify below and provide written documentation			

Please indicate the Economic Development Assistance Programs for which you would like to apply (check as many as apply)			
	Graduated Rental Assistance	<input checked="" type="checkbox"/>	Existing Business Structure Assistance
<input checked="" type="checkbox"/>	Job Creation/Retention Incentives	<input checked="" type="checkbox"/>	Business Recruitment Incentives
<input checked="" type="checkbox"/>	Business Retention Assistance		
Guidelines and Descriptions of each Incentive Are Provided as an Appendix to this Document.			

Attachments That Will Be Required			
	Plat/Map/Elevations of Project		Renderings/Plans for Improvements
	Copies of Required Permits	X	Business Plan
	Financial Reports for previous years		IRS Reporting
X	Tax Certificate	X	Proof of Property Ownership or Lease Agreement
	Property Owner's Certification	X	Receipts for Work Performed Prior to Application Submission
These items must be submitted with the initial application for consideration of the application. Additional documents may be requested as necessary.			

Incentive Process and Timeline

1. Completed application must be returned to the EDC office at Mt. Vernon City Hall prior to work commencing.
2. For projects involving incentives between \$1.00 - \$4,999.00, the EDC must hold a public hearing on the project and allow 60 days to pass since the first public notice of the project prior to expending funds.
3. For projects from \$5,000 - \$9,999, the EDC must hold a public hearing on the project and allow 60 days to pass since the first notice of the project, and the City Council must approve the project and incentives, prior to expending EDC funds on the project.
4. For projects \$10,000 and above, the EDC must hold a public hearing on the project and allow 60 days to pass since the first notice of the project, and the City Council adopts a resolution authorizing the project after giving it two separate readings, prior to expending EDC funds on the project.

Business Plan Assistance may be obtained through the Northeast Small Business Development Center in Mt. Pleasant, Texas.

Amber Keith

Business Advisor

Northeast Small Business Development Center

www.northeasttxsbdc.org

903-490-0822 Office

903-490-2826 Cell

AFFIRMATION OF APPLICANT(S)

I (We) the undersigned do hereby acknowledge and/or certify, as the case may be, the following:

1. Prior to submission of this application, the included guidelines for all programs have been obtained, reviewed, and clearly understood by the applicant.
2. That the submission of this Application does not create any property, contract, or other legal rights in any person or entity to have the MVEDC provide grant funding.
3. That if grant funding is approved, full compliance will be maintained with all the provisions of the provided guidelines, performance agreements, and/or special provisions attached as a part of the grant, and that failure to do so will be grounds for ineligibility to receive previously approved grant funding and / or sales tax recapture by MVEDC or the City of Mount Vernon.
4. The Mt. Vernon City Council shall approve any incentive involving expenditures exceeding \$5,000.
5. That before application is to be reviewed by the MVEDC, a designee(s) of the MVEDC shall have the right to inspect the business and work to be considered.
6. That the MVEDC reserves unto itself its absolute right of discretion in deciding whether or not to approve a grant relative to this application, whether or not such discretion is deemed arbitrary or without basis in fact.
7. That the laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of the provided guidelines and this Application. If any provision or provisions of these should be held invalid or unenforceable, the validity and enforceability of the remaining provisions of these shall not be affected thereby.
8. That the information provided in this Application, and all that may have been affixed hereto, is true and correct, and that the MVEDC may rely on all information herein contained, and all that may have been affixed hereto, as being true and correct
9. Any criminal activities involving applicant, whether on or off-site premises, will render this application and / or contract null and void.
10. Where approved incentives are reimbursement recipient must present paid invoices and/or cancelled checks to vendors. Certificate of Occupancy issued by City of Mount Vernon must be issued before any MVEDC funds are expended.
11. Texas Government Code Section 2264.01 Certification

Company certifies that Company, or a branch, division, or department of Company, does not and will not knowingly employ an undocumented worker. If, after receiving a public subsidy, Company or a branch, division, or department of company is convicted

of a violation under 8 U.S. C. Section 1324a(f), Company shall repay in full the amount of the public subsidy paid by MVEDC to Company.

12. The City of Mount Vernon and/or MVEDC may exercise the right to reclaim any incentives should the recipient not fulfill any portion of its stated obligation as outlined in any incentive agreement resulting from this application submission.

13. Making application and complying with specific requirements does not guarantee that requested incentives will be granted by the MVEDC Board or City Council.

I, the undersigned, understand this process may take several months and attendance of several meetings. Filing an application with the City does not guarantee approval from the City Council. The city reserves the right to retain outside consultants to review this application, all data provided and conduct an independent evaluation. Further, the applicant understands and agrees that this application and all data and communications may be considered a public record pursuant to the Texas Public Information Act."

Signed this _____ day of _____, 20_____

(Print Authorized Representative Name)

(Applicant Signature)

Appendix A: Property Owner's Certification

Property Owner Name	Dr. Marie Latortue Dr. Jean Latortue		
Property Owner Phone Number	[REDACTED]		
Property Owner Email	[REDACTED]		
Property Address	[REDACTED]		
	City	State	Zip Code

Lease Amount		Period (Annually/Monthly)

Anticipated Construction Start Date	February 1, 2026
Anticipated Construction Completion Date	May 30, 2026
Description of Improvements to be Made	
<p>Enhancements to the roofing structure, including installing new shingles or tiles for improved insulation and weather resistance. Comprehensive repair of the driveway, addressing any cracks or potholes to ensure a smooth and durable surface for vehicles. Expert repairs the air conditioning system to improve efficiency and reliability, including checking refrigerant levels and cleaning coils. General building repairs that might encompass everything from fixing leaks to updating windows and doors for improved functionality. A complete bathroom remodeling project, featuring modern fixtures, updated cabinetry, and tile work to create a functional space.</p>	

I have reviewed all information above and certify that it is true and correct. Further, I certify that I have reviewed and approved all improvements to be made to the property as described above.

Owner Signature

Date

Owner Signature

Date

Appendix B: Economic Development Assistance Program Guidelines

Graduated Rental Assistance

- The primary goal of the Graduated Rental Assistance Program is to reduce the burden of rental expenses on new businesses and to help offset the initial startup costs of the business.
- The business must be a for-profit venture. Nonprofit and governmental organizations are not eligible for the program.

- Grant funds cannot be used to fund rent for any portion of the property used for residential purposes. In such cases, the total rent amount may be adjusted proportionally to reflect usage of the property.
- At no point will MVEDC pay 100% of the rental expenses for any recipient of this program.
- The rental assistance is designed to assist the business owner with rental expense over a period of time, but the owner will assume responsibility of the full rental costs at the end of the rental assistance period as determined by the MVEDC
- All disbursements through this program will be made in the form of a reimbursement following the submission of a copy of the canceled check paid to the property owner and/or a receipt from the property owner, or direct payment of rental assistance to the property owner/landlord.
- Generally, the program can span any amount of time up to 12 months with MVEDC reimbursing the business owner's rental expense in four installments: 25% of the total rent cost to be paid for the first installment; 50% of the total rent cost to be paid for the second installment; and 75% of the total rent cost to be paid for the third installment of the rental agreement term. Rental assistance from the MVEDC to the business owner shall not be granted until the termination of free or subsidized rent from the property owner. Term of assistance and length of payment installments shall be negotiated between business and MVEDC, with the decision of the MVEDC being final.
- The City Council upon recommendation by the MVEDC Board may approve a modification to the standard rate and duration of the program on a case-by-case basis.
- Recipients may receive only one Graduated Rental Assistance Agreement per business.
- Rental amount and must be comparable to similar rental rates for similar properties in the area of the business property.
- Rental assistance shall not exceed \$6,000 for any business.
- All disbursements through this program will be subject to requirements set forth in an incentive performance agreement, including but not limited to a period for which the business must remain in operation following the completed disbursement of funds.
- MVEDC assumes no liability for the satisfaction of the lease agreement between the property owner and the tenant. This agreement is between the tenant and the MVEDC and will be strictly a reimbursement of the costs required to satisfy the terms of the tenant's lease agreement with the property owner.

Existing Business Structure Assistance

- The purpose of the Existing Business Structure Assistance Program is to enhance the economic sustainability of the City of Mount Vernon by assisting for-profit business building owners and lessees in business building renovation processes; thereby encouraging increased ad valorem and/or sales taxes.
- The structure on which the improvements to be made must be at least five years old.
- Owners of multiple structures may submit only one application per fiscal year and may not have existing agreements on multiple properties at any one time.
- MVEDC may approve the full amount requested, a portion of the amount requested, or no amount at all.
- All grants provided under this program are reimbursements for cash expenditures by the applicant and require the applicant provide a match of at least twice the amount awarded (2:1 match required).
- Nonprofit and governmental organizations are not eligible to receive this funding.
- Applicants cannot have more than 20 full-time employees at the time of application
- All tax obligations must be current
- Property owners must submit Appendix A: Property Owner's Certification if the applicant is a tenant at the property
- The business owner will be required to obtain all necessary city and/or state permits, zoning, inspections, etc.... prior to applying for funding.
- The business owner must demonstrate best effort in obtaining at least 3 bids for improvements. The bids or documentation of best effort must be included in the application.
- The structure must be located within the Mount Vernon City limits.
- Applicants must have a valid Certificate of Occupancy from the City of Mount Vernon prior to receiving program funding.
- All disbursements through this program will be subject to performance requirements set forth in an incentive agreement, including but not limited to a period for which the business must remain in operation following the completed disbursement of funds.

For projects that require an expenditure of more than \$10,000, the City Council must adopt a resolution authorizing the project after giving the resolution at least two separate readings.

JOB CREATION INCENTIVE

Program funding will be available to new and / or expanding businesses meeting the following criteria:

1. Business must be in Mount Vernon.
2. Business must be a For Profit business.
3. Owner or shareholders do not count as 'new hires.'
4. Must be Full time jobs, 32 hours per week, 52 weeks per year. No part time employees or combination of part time employees will be considered.
5. Mount Vernon Economic Development Corporation must approve all applications before business engages 'new hires.'
6. Business owners or shareholders cannot be employed by Mount Vernon Economic Development Corporation or City of Mount Vernon.
7. Business name on application must be identical to the name listed on all documents required to engage in business, including business tax receipts.
8. Mount Vernon Economic Development Corporation may grant an amount up to \$600 per job, with a bonus \$200 for every employee that resides within the city limits and earns more than \$13.00 per hour for unskilled and \$20.00 per hour for skilled labor. Number of jobs incentivized would be no more than 20 full-time employees, unless otherwise determined by Mount Vernon EDC.
9. This is a 'reimbursement only' program; business applicant will be reimbursed 'per job' after new hire has completed 12 months employment. Texas Workforce Commission Quarterly reports required as documentation.
10. New employee hire must result in a net increase in full time employees from the time of application at the end of the 12-month period. Documentation will be required from business incentive recipient showing number of employees at MVEDC approval date vs. number of employees at the 12-month 'benchmark.'

Item 7.



Email: sawyerroofing1995@gmail.com
 Location: 2676 US HWY 271 N. PITTSBURG TX 75686
 Mail: PO BOX 733 PITTSBURG TX 75686

NAME:	century 21 Butler Realstate (Ralph Robertson)
ADDRESS:	257 US Hwy 69 Mount Vernon, Tx. 75457
EMAIL:	Ralph@century21butler.com
PHONE:	
DATE:	01-02-2026
BILLING ADDRESS:	

SCOPE OF WORK

	<i>Preventative Maintenance</i>
Original section of building	
Replace screws needed	
Tape overlap along center of roof and Rescrew	1626. ⁰⁰
Latter Part Add on of building	
Install New Gutter front + back	1922. ⁰⁰
	Job Total 3548. ⁰⁰

Will Provide labor, material and equipment for above Scope of Work. This Proposal may be withdrawn after (30) days due to price increase on materials. Please sign and return by mail, email or office location
 Sawyer Roofing would like to Thank-You for the Opportunity. **Warning!** Any Valuables on walls or ceilings need to be secured by home owners before roofing begins. Sawyer Roofing LLC is not liable for any breakage. Terms of payment/Due upon Receipt

ACCEPTED BY: _____ DATE: _____



1-800-295-5510
 uline.com
 customer.service@uline.com

Item 7.

**PRICING
REQUEST**

REQUEST # PRB1510278

Thank you for your interest in Uline!

PROVIDED TO: CARIBBEAN BASIN BROKERS LLC
 102 JACKAL TRAIL CT
 MONTGOMERY TX 77316-2148

SHIP TO: CARIBBEAN BASIN BROKERS LLC
 506 TEXAS HIGHWAY 37
 MOUNT VERNON TX 75457-3607

CUSTOMER NUMBER			SHIP VIA	REQUEST DATE	
25641885			AVERITT EXPRESS	01/10/26	
QUANTITY	U/M	ITEM NUMBER	DESCRIPTION	UNIT PRICE	EXT. PRICE
20	KT	H-9151	CHROME MOBILE SHELVING - 72 X 36 X 78"	398.00	7,960.00 T
40	CT	H-1517-SHELF	CHROME WIRE SHELVES - 72 X 36" PART OF KIT	.00	.00
20	CT	H-1205WH-C	POLYURETHANE CASTERS FOR WIRE SHELVING UNITS - SET OF 4, CHROME PART OF KIT	.00	.00
40	CT	H-1205-POST	POST FOR CHROME WIRE SHELVING - 72" PART OF KIT	.00	.00

SUB-TOTAL 7,960.00	SALES TAX 685.42	SHIPPING/HANDLING 348.07	TOTAL 8,993.49
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NOTE:

DELIVERY TIME 1 BUSINESS DAY VIA AVERITT EXPRESS.
 ATTENTION: JEAN LATORTUE
 NEW: ORDER ONLINE AT ULINE.COM/PRICINGREQUESTDETAIL.
 T DENOTES A TAXABLE LINE.
 TOTAL ORDER SAVINGS OF \$1540!

C O N T R A C T

Orand Construction LLC
408 West Ferguson
Mount Pleasant, TX 75455
(903) 717-8818

Sales Representative
joshua orand
(903) 717-1279
hightechroofingtx@gmail.com



James Hamrick
615 Holbrook St
Mount Vernon, TX 75457

Estimate:# 1949
Date 1/13/2026

Item	Description	Price	Amount
Roof #2	west side of building roof repair...remove and replace roof screws...sweep and blow off roof...add alluminum roof seal over entire roof panels	\$4,000.00	\$4,000.00
		Sub Total	\$4,000.00
		Total	\$4,000.00

S P E C I A L I N S T R U C T I O N S

Terms and conditions



Smitty's Property Management

9035733195 | smitty2737@gmail.com |

<https://www.facebook.com/profile.php?id=100076221968568&mibextid=LQQJ4d>

RECIPIENT:

Ralph Robertson
Mount Vernon, Texas 75457

Quote #114

Sent on Jan 13, 2026

Total \$6,800.00

Product/Service	Description	Qty.	Unit Price	Total
Bathroom remodel	We will demo the existing 6 x 8 bathroom from the floor joist to 8 inches above the seal plate, we will go back with treated 2 x 6 floor, joist and treated decking for the floor and reinforce with peers as needed, floor covering will be tile and using the existing shower drain , customer wants to keep the shower operational. We will then put in a porcelain sink that way the shower can be functionable and not worry about rotting out of vanity "also includes a new toilet, all plumbing fixtures, and the sink . This quote is for labor and materials.	1	\$6,800.00	\$6,800.00
			Total	\$6,800.00

This quote is valid for the next 30 days, after which values may be subject to change.



The Tint Shop sent you an estimate

Customer

Caribbean Basin Brokers

Caribbean Basin Brokers

Show full details

Commercial or Residential	\$3,599.31
<i>20+ Windows Tinted in DR7 Film (Privacy 1 way mirror reflective film) ** Cash Price set at \$3000.00 **</i>	
Subtotal	\$3,599.31
Total	\$3,599.31

The Tint Shop

622 Oak Ave.

Sulphur Springs, TX 75482-4891

joshwatkins8371@gmail.com

+1 (903) 480-8732

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Item 7.

WORK MEETING PROJECT RETIRE RESEARCH
 HOME FAMILY HOUSE FITNESS VACATION SCHOOL OTHER

57 X 2 4 IN
\$1200

1.20.26

Enrique Olvera Martinez



ESTIMATE

Brooksey Crow Inc
PO Box 357
Mount Vernon, TX 75457

brookseycrow@yahoo.com
+1 (903) 588-2211

Bill to
Ralph Robertson

Ship to
old lumber yard
Hwy 67 E

Estimate details

Estimate no.: 1478
Estimate date: 01/12/2026

#	Date	Product or service	Description	Qty	Rate	Amount
1.		SB2 Road Base		104	\$75.00	\$7,800.00
2.		Level		1	\$1,160.00	\$1,160.00
					Subtotal	\$8,960.00
					Sales tax	\$526.50
					Total	\$9,486.50

Note to customer

Estimate/Bid is attached. If you have any questions please call us at (903)588-2211 or email us!

Thank you for your business!
Robin Crow
Brooksey Crow Inc.

Accepted date

Accepted by

FATE HOME FAMILY HOUSE FITNESS VACATION

1	20 X 30 FT	5 in
2	10 X 30	4 in
	\$ 7400	

3	50 X 39	\$ 12900	4 in
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Enrique Olvera

903 638-3500



Tito's Painting & Trim.

JOB ESTIMATE

Titos's Painting & Trim
616B Mitchell St
Winnsboro, TX 75494
903-975-5272

Caribbean Basin Brokers
12/30/2026

ITEM	DESCRIPTION.	Unit Price.	Quantity.	Total
Job Description				
Paint Building on East 67Mt Vernon				
	Cost of paint/material.	\$2,000.00		\$2,000.00
	Labor	\$6,600.00		\$6,600.00
Note: This estimate is not a contract. It is our best guess at the total price to complete the job stated above, based on our initial inspection. If prices change or additional materials and labor are required we will inform you prior to proceeding with the work.				
			Job Estimate Total.	\$8,600.00

1/15/26

This has been prepared for Caribbean Basin Brokers
257 Hwy 67, Mount Vernon, TX 75457

Attached is the preliminary budget for all the work that we discussed for your building. I think we have covered everything that was discussed and have got good numbers for each item. The budget came in higher than I expected but there is a lot of area being worked on. There are the areas that I have highlighted in blue that I feel may not be necessary right now or there might be less expensive options for those items. I added replacing 2 exterior doors because they need to have an ousting to comply with the fire codes. I used option #1 in this bid. All the items in red are things that are based on the products that you choose, so obviously will fluctuate with your choices. We can show you the selections we used for our bid, but can use something different if you prefer. Please look over all the numbers we have in the budget and let me know if you have any questions on any of the items.

This bid includes demo of bathroom floor and tile, fixing damaged/rotted joists and beams, installing new subfloor, demoing exposed plumbing in main common area, disposal of demoed material, removal of metal ceiling panel where the air duct is over the framing, moving air duct into room, installing new ceiling metal, framing in door to restrooms, framing shoe room, installing insulation and sheetrock, tape and bed, removing expansion joint and filling gaps with color match epoxy in concrete, surfacing floors, covering floors, installation of doors, installation of trim, installation of wall tile, installation of vanity and toilets, painting and staining, and polishing and sealing floors.
Total for job- \$69,383.05

The way we run projects is with a contractor fee of 15% (materials provided by client are also subject to contractor fee). We issue invoices per biweekly based on numbers in the budget of the work coming up in the next couple weeks.

Please let me know at your earliest convenience if you are ready to move forward with this project. Appreciate the opportunity to bid your job and look forward to working with you to fix up this building. Thank you for your business. It's a pleasure to work with you on your project. Let me know if you have any questions.

Thank you,
Chad Pascoe
Pascoe Carpentry and Maintenance
pascoeiii@me.com
(775)430-1641

BREAKDOWN SHEET

Item Description	Amount	Notes
Demo	\$4,925.00	Demo door wall, plumbing, open wall up, remove tile, remove sheetrock, and disposal
Framing materials	\$1,076.09	Metal studs, metal caps, 2x8x10, 2x4x10, 2x4x16, 2x8x8, OSB, Advantech, Nails, 3" concrete pins, blades
Framing Labor	\$3,250.00	Bath room, shoe room, door, and window
Insulation material	\$790.00	Rolls, staples, masks, gloves, and blades
Insulation labor	\$1,875.00	
Sheetrock materials	\$667.00	12 foot sheets and delivery
Sheetrock installation labor	\$2,500.00	
Tile installation labor	\$1,200.00	
Tile	\$500.00	\$5.00/sqft- 100
Tile materials	\$646.00	Detra, glue, and grout
Paint/Stain	\$4,800.00	Labor and materials
Tape & Bed (mudder)	\$2,800.00	Labor and materials
Polished floor	\$12,000.00	4,316 sqft
Vanity install	\$200.00	
Door casing trim labor and material	\$400.00	
Baseboards (material)	\$800.00	
Baseboard install	\$1,000.00	
10 door install	\$2,500.00	
8 doors (material)	\$2,940.00	Raised 5 panel solid core doors
Barn Doors material	\$2,000.00	2 slabs, hardware
Exterior Doors Option #1	\$5,274.00	2 double doors to match existing with an outswing per fire code, painted, and installation
Exterior Doors Option #2	\$6,765.26	2 commercial doors with full glass panel and sidelight, outswing per fire code, painted, and installation
2 Vanities	\$400.00	
2 Toilets	\$500.00	
Glass- 3'x5'	\$250.00	
Miscellaneous supplies	\$215.00	Metal sheet, duct coupler, tape, screws
Cleaning	\$2,700.00	\$0.65/sqft- 4316
Plumbing	\$3,600.00	Rough in and trim out
2 Faucets	\$400.00	
1 Mirror	\$125.00	
Subtotals	\$60,333.09	
15% contractor fee	\$9,049.96	
	\$69,383.05	

Item 7.

Outlook

(Aucun objet)

À partir de [redacted]
Date Dim 18/01/2026 16:02
À [redacted]



Sent from my iPhone

Item 7.

Outlook

(Aucun objet)

À partir de [redacted]
Date Dim 18/01/2026 16:02
À [redacted]



20W Solar LED Billboard Uplight

\$399.99

Shipping Weight: 7.00 pounds

Quantity: 1

View

ADD TO CART

OTHER PRODUCTS YOU MIGHT LIKE

EASY ADD



10W Solar LED Billboard Uplight

\$279.99

ADD BOTH TO CART - \$679.98



Item 7.

4:29

5G



ledlighting-solutions.com

\$279.99

ADD BOTH TO CART - \$679.98

FREQUENTLY BOUGHT TOGETHER >



**20W Solar LED
Billboard Uplight**

\$399.99

+



**10W Solar LED
Billboard Uplight**

\$279.99

ADD ALL TO CART - \$679.98

DESCRIPTION



Sent from my iPhone

Item 7.

Outlook

(Aucun objet)

À partir de [redacted]

Date Dim 18/01/2026 16:01

À [redacted]

12:14



ibspot.com



ibspot SINCE 2006

Orders Sign In



Franklin Iron Works Arnett Rustic Industrial Semi Flush-Mount Urban Barn Outdoor Ceiling Light Semi Flush Mount Fixture Black Aluminum 12" for Exterior House Porch Patio Outside Deck Garage Garden

Brand: Franklin Iron Works



Sent from my iPhone

ESTIMATE

Brooksey Crow Inc
PO Box 357
Mount Vernon, TX 75457

brookseycrow@yahoo.com
+1 (903) 588-2211

Bill to
Ralph Robertson

Ship to
old lumber yard
Hwy 67 E

Estimate details

Estimate no.: 1478
Estimate date: 01/19/2026

#	Date	Product or service	Description	Qty	Rate	Amount
1.		SB2 Road Base		228	\$75.00	\$17,100.00
2.		Level		1	\$2,000.00	\$2,000.00
Subtotal						\$19,100.00
Sales tax						\$1,154.25
Total						\$20,254.25

Note to customer

Estimate/Bid is attached. If you have any questions please call us at (903)588-2211 or email us!

Thank you for your business!
Robin Crow
Brooksey Crow Inc.

Accepted date

Accepted by



Order Details

E5400UE06

This order includes the following equipment and recurring services and is subject to the terms and conditions of the attached ADT services contract.

Command Security Solution

Item	Owned By	Install	Monthly
HERE'S YOUR SYSTEM			
1 [Complete_2x16_SMB] - Complete Command 2x16	ADT	\$599.00	
2 [RC845] - Indoor Pro HD Camera (1080p)			
1 [2X16GLSPAN] - Command 2X16			
1 [BUNDLE] - RF: 2 White Contacts, 1 Motion	ADT		
2 [SIXTA] - Door Window Contact, 2-way Encrypted Wireless, White			
1 [SIXTRA] - Motion Detector, 2-way Encrypted Wireless			
	System Plan Subtotal	\$599.00	
REAL PROTECTION SERVICES			
[Complete_2x16_SMB] - Complete: Command 2x16			\$59.99
	Real Protection Services Subtotal		\$59.99
ADDITIONAL SAVINGS & DISCOUNTS			
\$50.00 Complete Command with 2x16 X-range System Monitoring		\$-50.00	\$-5.00
	Package Totals	\$99.00	\$54.99
YOUR PAY IN FULL AFTER DISCOUNTS TOTAL		Install	Monthly
System & Added Tech		\$599.00	\$0.00
Real Protection Services			\$59.99
Activation + Permit Fees		\$0.00	\$0.00
	(Less Discounts)	\$-500.00	\$-5.00
Total After Discounts		\$99.00	\$54.99
Estimated Taxes		\$6.68	\$3.71
Total After Estimated Taxes		\$105.68	\$58.70
Your Service Contract Term		36 Months	
Order Total		\$105.68	\$58.70

*The tax amounts shown are only estimates; the final amount will be calculated and detailed on your bill

By signing the attached ADT services contract, you authorize ADT to charge your bank account, credit card or debit card ending in 2002 for this order, including (i) the Install and Monthly service charges set forth above, (ii) Contract Termination Charges, if applicable, and (iii) the other charges and amounts described in the attached ADT Small Business contract. You may revoke this authorization to charge your account by notifying ADT and your bank or credit/debit card company at least 10 business days before the scheduled charge. You will be charged recurring Monthly service charges until you cancel with at least 30 days' advance notice to ADT. Instructions on how to cancel this order and your ADT services (including details regarding Contract Termination Charges, if applicable) are set forth in paragraph C.2 of the Important Terms and Conditions of the attached ADT Small Business Contract.

(x) Your ADT services are recurring and you will be charged a recurring service fee until you cancel - see paragraph C.2 of the Important Terms and Conditions of the attached ADT Small Business Contract.



SMALL BUSINESS CONTRACT

E5400UE06

Section 1. Customer Info

ADT LLC
 dba ADT Security Services ("ADT")
 1501 Yamato Road,
 Boca Raton, FL 33431
 www.MyADT.com
 800.ADT.ASAP®
 (800.238.2727)

Business Name ("Customer" or "I" or "me" or "my") Caribbean Basin Brokers

Premises' Address 257 US Highway 67 E

City Mount Vernon State TX Zip 75457

Responsible Party Name Jean Latortue

Tax Exempt No. _____ Tax Expiry Date _____

Protected Premises' Phone (Required) (903) 767-7666

IF FAMILIARIZATION PERIOD IS REJECTED INITIAL HERE _____ (see Paragraph 163 of the Important Terms and Conditions for explanation)

EMAIL [REDACTED]

If I have provided or do provide ADT with a phone number, including but not limited to a cell phone number, a number that I later convert to a cell phone number, or any number that I subsequently provide for billing and other non-solicitation purposes, I agree that ADT may contact me at this/these number(s). I also agree to receive calls and messages such as pre-recorded messages, calls and text messages from automated dialing systems at the number(s) provided. I confirm that I am the registered owner of all telephone number(s) that I have or will provide to ADT to contact me. If I have provided or do provide ADT with an email address, I agree that ADT may send me emails regarding my ADT Services or new ADT or third-party products and services. I may unsubscribe or opt out by emailing DNScomplaints@adt.com or by calling (877) 377-7343.

EQUIPMENT TO REMAIN THE PROPERTY OF ADT. All equipment installed by ADT pursuant to this Contract shall be owned by ADT unless ADT has agreed in writing or in the Order Details accompanying this contract to give me ownership of the equipment. ADT has the right upon termination of this Contract to remove or disable any or all of the equipment owned by ADT, in which case I will not be able to use the equipment for any purpose. If the ADT owned equipment includes a base alarm control unit, associated keypad or touch screen, digital video recorder (DVR), network video recorder (NVR) or similar recording device, I will return it upon termination of this Contract as directed by ADT or I will be required to pay an unreturned equipment fee. See Paragraph A.3 of the Important Terms and Conditions for more information.

I acknowledge and agree to each of the following: (A) This Contract consists of eight (8) pages. Before signing this Contract, I have read, understand and agree to each and every term of this Contract, including but not limited to Paragraphs C and E of the Important Terms and Conditions. (B) THE INITIAL TERM OF THIS CONTRACT IS THREE (3) YEARS. THIS CONTRACT AUTORENEWS FOR SUCCESSIVE ONE (1) YEAR RENEWAL TERMS UNLESS TERMINATED AT LEAST 30 DAYS BEFORE THE RENEWAL DATE - SEE PARAGRAPH C.2 OF THE IMPORTANT TERMS AND CONDITIONS. (C) ADT has explained to me the full range of equipment and services that ADT can provide to me. Additional equipment and services over those identified in this Contract are available and may be purchased from ADT at an additional cost to me. I have selected and purchased only the equipment and services identified in this Contract. (D) No alarm system can provide complete protection or guarantee prevention of loss or injury. Fires, floods, burglaries, robberies, medical problems and other incidents are unpredictable and cannot always be detected or prevented by an alarm system. Human error is always possible, and the response time of police, fire and medical emergency personnel is outside the control of ADT. ADT may not receive alarm signals if communications or power is interrupted for any reason. (E) ADT recommends that I manually test the alarm system monthly and any time I change telephone service, by calling 800.ADT.ASAP. (F) This Contract requires final approval by an ADT authorized manager before ADT may provide any equipment or services, and if approval is denied, then this contract will be terminated, and ADT's only obligation will be to notify me of such termination and refund any amounts I paid in advance.

ADT Representative

Adam Sali Rep. License No. (If Required) Rep. ID No. 356697

Customer's Signature: Original Signature Required

X Jean Latortue
7877E18E3A0324

1/10/2026



SMALL BUSINESS CONTRACT

E5400UE06

Section 2 Services to be Provided	
Alarm Monitoring and Notification Services	Monthly Service Charge
Burglary (BA)	
Hold-up (HUA)	
ADI Interactive Solution Services	
Critical Condition Monitoring (CCM) __ Flood __ Temperature	
Parallel Protection / Cellguard	
Access Control	
Video Verification Services	
Onsite Video Services	
Cloud Managed Video Services	
Other Services	
Quality Service Plan (QSP)	\$7.00
Preventative Maintenance Inspections Per Year __ 1 __ 2 __ 3 __ 4 __ 6 __ 12	
Training	
Direct Connection Services	
Monthly Recurring Municipal Alarm Permit Fee (Subject to change based on local law)	
On Site Services	
Guard Response: __ Interior __ Exterior	
Other	
Total Monthly Service Charge \$54.99	
	Initial Fee
	Municipal Electrical / Installation Permit Fee
	Customer to obtain and pay for municipal alarm use permit if permit fee not paid to ADT and indicated in the opposite column. Failure to obtain and provide ADT with the municipal alarm use permit registration number could result in no municipal fire police response to an alarm from the premises and/or a fine.
	One Time Alarm System Registration Fee
	Admin Fee
	Other Police Permit
	Installation Price \$99.00
	Taxable Amount (Leave blank if Owned By ADT)
	Non-Taxable Amount (Leave blank if Owned By ADT)
	Connection/Activation Fee \$0.00
	Sales Tax on Installation* \$6.68
	Total Installation Charge \$105.68
	Trip Charge Received
	Installation Deposit Received: 100% deposit required < \$500 Minimum 50% deposit required \$500+ \$100.00
	Balance Due \$5.68
	Security Deposit (see paragraph C.1.C of the Important Terms and Conditions)

By signing this Contract, I authorize ADT to withdraw from my bank account and/or charge my credit/debit card provided to ADT through an Automated Clearing House ("ACH") for (i) Service Charges and Installation Charges as indicated below, (ii) Contract Termination Charges (see Paragraph C(2), Term and Payments, of the Important Terms and Conditions) and (iii) all other charges and amounts for which Customer is liable under this Contract:

- (X) Service Charges (if no billing period oval is filled, my recurring service charges will be charged monthly)
 - () Annually
 - () Semi-Annually
 - () Quarterly
 - (X) Monthly
- (X) Installation Charges
 - () 3 monthly credit/debit card payments of equal amounts (available for telephone orders or field sales with an Installation Charge greater than or equal to \$500)

This authorization to withdraw from my bank account and/or charge my credit/debit card will remain in effect until the termination date of this Contract or until I cancel this Contract, whichever occurs first. I may revoke this authorization only by notifying ADT and my bank or credit card company at least 10 business days before the scheduled debit or charge. I agree to notify ADT of any other changes in my account information at least 15 days prior to the next billing date. If the date or amount of the withdrawal changes, or if Contract Termination Charges apply, ADT will notify me at least 15 days prior to the payment being collected. If a payment date falls on a weekend or holiday, payment may be executed on the next business day. Charges may be applied to my account each month as early as the transaction date. If an ACH transaction is rejected for non-sufficient funds (NSF), ADT may attempt to process the charge again within 30 days, and an NSF charge may apply. The origination of ACH transactions to my account must comply with the provisions of U.S. law. I am an authorized user of the bank account or credit card account provided to ADT for payment of charges under this Contract, and I will not dispute payments under this Contract from this account with my credit card company or bank so long as the amount corresponds to the terms of this Contract.

RESOLUTION No. 26-08

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, TEXAS, ADOPTING AN AGREEMENT BETWEEN THE MOUNT VERNON ECONOMIC DEVELOPMENT CORPORATION, CITY COUNCIL AND D&R INVESTMENTS, LLC, DBA LUCKY 7 TIRE & AUTO, FOR THE BUSINESS LOCATED AT 1320 HOLBROOK STREET, MOUNT VERNON, TEXAS

WHEREAS, The City Of Mount Vernon Economic Development Corporation is a Type B economic development corporation, as adopted by the citizens of Mount Vernon by election in 1994 and City Council of the City of Mount Vernon provides oversight to the Moun Vernon Economic Development Corporation; and

WHEREAS, the City Council and Economic Development Corporation desire to assist in the improvement and further economic development of commercial property in the community; and

WHEREAS, the Economic Development Corporation finds it in the best interest of future economic development in the community to enter into an agreement with Robert Rosales and Danial Jaweed, owners of D&R Investments, LLC dba Lucky 7 Tire & Auto, for the business located at 1320 Holbrook Street Mount Vernon, Texas, 75457.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, TEXAS:

The City Council approves the adoption of agreement with Robert Rosales and Danial Jaweed, owners of D&R Investements as described in Exhibit A, "Agreement"

PASSED AND APPROVED this the 13th day of April, 2026.

Approved:

Attest:

By: _____
Brad Hyman, Mayor

By: _____
Angie Pike, City Secretary

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This **ECONOMIC DEVELOPMENT PROGRAM AGREEMENT** (“**Agreement**”) is entered into by and between the **CITY OF MOUNT VERNON ECONOMIC DEVELOPMENT CORPORATION**, an economic development corporation organized under the laws of the State of Texas, specifically, but not limited to Chapter 505 of the Texas Local Government Code (the “**MVEDC**”), and Robert Rosales & Danial Jaweed, owners of D&R Investments, LLC dba Lucky 7 Tire & Auto, Mount Vernon (the “**Grantee**”). The MVEDC and Grantee are collectively referred to as the “**Parties**”.

RECITALS

The MVEDC and Grantee hereby agree that the following statements are true and correct and constitute the basis upon which the MVEDC and Grantee have entered into this Agreement:

A. Grantee leases and will operate a business in an existing building located at 1320 Holbrook Street, Mount Vernon, Texas (the “**Property**”), as an automotive service center.

B. In order to maximize the economic benefits that the Eligible Improvements can bring to the City of Mount Vernon, the MVEDC and Grantee desire to enter into this Agreement which will provide economic incentives for the creation of full-time employment of individuals at the Property.

C. In accordance with Res 14-03, attached hereto as Exhibit “A” and hereby made a part of this Agreement for all purposes, the MVEDC has established an economic development incentive policy and program pursuant to which the MVEDC will, on a case-by-case basis, offer economic incentive packages authorized by , Article III, Section 52-a of the Texas Constitution, Chapters 501, 502 and 505 of the Texas Local Government Code, and other applicable laws, that include monetary reimbursements and grants of public money for full-time employment of individuals at the Property (the “**Program**”).

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. INCORPORATION OF RECITALS.

The MVEDC has found at a duly-called and legally-noticed public meeting that the recitals set forth above are incorporated herein and true and correct and form the basis upon which the Parties have entered into this Agreement.

2. **DEFINITIONS.**

In addition to terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

Affiliate means all entities, incorporated or otherwise, under common control with, controlled by or controlling Grantee. For purposes of this definition, “control” means fifty percent (50%) or more of the ownership determined by either value or vote.

Director means the director of the City of Mount Vernon Economic Development Corporation .

Effective Date has the meaning ascribed to it in Section 3.

Program has the meaning ascribed to it in Recital C.

Program Grant means the economic development grants paid by the MVEDC to Grantee in accordance with this Agreement and as part of the Program, not to exceed twenty thousand dollars (\$20,000) of renovation and improvements for reimbursement for Existing Business Structure Assistance.

Program Source Funds means an amount of MVEDC funds available for inclusion in the Program Grant that is payable pursuant to this Agreement, not to exceed twenty thousand dollars (\$20,000) of renovation and improvements for reimbursement for Existing Business Structure Assistance.

Property has the meaning ascribed to it in the Recital A.

Monthly Expense Report has the meaning ascribed to in Section 5.1

Monthly Payment has the meaning ascribed to it in Section 5.1.2.

Term has the meaning ascribed to it in Section 3.

3. **TERM.**

This Agreement shall be effective as of the later of the date of execution by the Parties or May 12, 2025 (the “**Effective Date**”) and, unless terminated earlier in accordance with this Agreement, shall expire on the date as of which the MVEDC has paid all Program Grants required, or May 12, 2030, whichever occurs first (the “**Term**”).

4. **OBLIGATIONS OF GRANTEE.**

4.1. **Establish and Maintain a Business at the Property**

In accordance with the terms and conditions of this Agreement, Grantee shall establish and maintain a business at the Property through the Term in order to receive all, or any portion, of the Program Grant.

4.1.1 Business Recruitment Incentive

a. On the Effective Date the MVEDC will grant to the Grantee the following: reimbursement for renovation and improvements for Existing Business Structure Assistance expenses encumbered or paid not to exceed a cumulative total of \$20,000.

4.1.2 Retention of Business throughout Term of Agreement

a. The entity must remain open to the public and continue generating taxable sales for the duration of the term or until it can be demonstrated that the business has generated revenues for the City and MVEDC equal to or greater than the total amount of incentives awarded, whichever is sooner. The Grantee may submit a report of City and MVEDC taxes paid at any time during the term of the agreement to indicate a return realized by the City and MVEDC. If the business is to cease operations or discontinue generating taxable sales, the owner must repay the amount of the incentives less the amount of revenue generated by taxable sales prior to closure.

5. CITY OBLIGATIONS.

5.1. Issuance of Program Grant for Jobs

The City will make payment of the Program Source Funds on the Effective Date for rental reimbursement and/or equipment or renovation expenses previously encumbered or paid. Thereafter, at the end of each month until 18 months following the Effective Date, the Grantee shall submit a new expense report to the Director showing all rental, equipment, and renovation expenses to date for which a reimbursement is requested, (the "**Monthly Expense Report**"). Each Monthly Expense Report shall become a supplemental part of this Agreement. The Director may request, and the Grantee shall produce, any information reasonably necessary to determine and verify that expenses have been encumbered or paid pursuant to the terms and conditions of this Agreement. The payment of Program Source Funds to Grantee shall be as follows:

5.1.1. On the Effective Date, the MVEDC shall pay to Grantee the amount shown in Section 4.1.1.a for each eligible expense shown to exist as shown on Exhibit "B";

5.1.2. Upon receipt of the Monthly Expense Report for the period ending April 2016, the MVEDC will, within fifteen (15) days, pay to Grantee the amounts shown in Section 4.1.1.a. for each eligible expense (the "**Monthly Payment**").

5.1.3. Upon receipt of the Monthly Expense Report for each subsequent month of the agreement, the MVEDC will, within fifteen (15) days, pay to Grantee the amounts shown in Section 4.1.1.a. for each eligible expense added since the prior Monthly Payment.

6. DEFAULT, TERMINATION AND FAILURE BY GRANTEE TO MEET VARIOUS DEADLINES AND COMMITMENTS.

6.1 Failure to Pay City of Mount Vernon, Texas Taxes.

An event of default shall occur under this Agreement if any legally-imposed City of Mount Vernon, Texas ("**City**") taxes owed on the Property by Grantee or an Affiliate or arising on account of Grantee or an Affiliate's operations on the Property become delinquent and Grantee or the Affiliate does not either pay such taxes or follow the legal procedures for protest and/or contest of any such taxes. In this event, the MVEDC shall notify Grantee in writing and Grantee shall have sixty (60) calendar days to cure such default. If the default has not been fully cured by such time, the MVEDC shall have the right to terminate this Agreement immediately by providing written notice to Grantee and shall have all other rights and remedies that may be available to it under the law or in equity.

6.3. Violations of City Code, State or Federal Law.

An event of default shall occur under this Agreement if any written citation is issued to Grantee or an Affiliate due to the occurrence of a violation of a material provision of the City Code on the Property or on or within the Eligible Improvements (including, without limitation, any violation of the City's Building or Fire Codes and any other City Code violations related to the environmental condition of the Property; the environmental condition of other land or waters which is attributable to operations on the Property; or to matters concerning the public health, safety or welfare) and such citation is not paid or the recipient of such citation does not properly follow the legal procedures for protest and/or contest of any such citation. An event of default shall occur under this Agreement if the City is notified by a governmental agency or unit with appropriate jurisdiction that Grantee or an Affiliate, or any successor in interest thereto, any third party with access to the Property pursuant to the express or implied permission of Grantee or an Affiliate, or any a successor in interest thereto, or the City (on account of the Improvements or the act or omission of any party other than the City on or after the effective date of this Agreement) is in violation of any material state or federal law, rule or regulation on account of the Property, improvements on the Property or any operations thereon (including, without limitation, any violations related to the environmental condition of the Property; the environmental condition of other land or waters which is attributable to operations on the Property; or to matters concerning the public health, safety or welfare). Upon the occurrence of such default, the MVEDC shall notify Grantee in writing and Grantee shall have (i) thirty (30) calendar days to cure such default, or such shorter period of time if the MVEDC determines there to be an urgent public necessity, or (ii) if Grantee has diligently

pursued cure of the default but such default is not reasonably curable within thirty (30) calendar days, then such amount of time that the City reasonably agrees is necessary to cure such default. If the default has not been fully cured by such time, the MVEDC shall have the right to terminate this Agreement immediately by providing written notice to Grantee and shall have all other rights and remedies that may be available to under the law or in equity.

6.4. Knowing Employment of Undocumented Workers.

Grantee acknowledges that effective September 1, 2007, the MVEDC is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. The following requirements shall only apply to the Property and Eligible Improvements that are directly the subject of the Program Grant contained herein, and not otherwise. Grantee *hereby certifies that Grantee, and any branches, divisions, or departments of Grantee, does not and will not knowingly employ an undocumented worker, as that term is defined by Section 2264.001(4) of the Texas Government Code. In the event that Grantee, or any branch, division, or department of Grantee, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens):*

- *if such conviction occurs during the Term of this Agreement, this Agreement shall terminate contemporaneously upon such conviction (subject to any appellate rights that may lawfully be available to and exercised by Grantee) and Grantee shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the MVEDC, the aggregate amount of the Program Grants received by Grantee hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum; or*
- *if such conviction occurs after expiration or termination of this Agreement, subject to any appellate rights that may lawfully be available to and exercised by Grantee, Grantee shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the MVEDC, the aggregate amount of the Program Grants received by Grantee hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum.*

For the purposes of Section 6.4, “**Simple Interest**” is defined as a rate of interest applied to the aggregate amount of the Program Grants. This Section 6.4 does not apply to convictions of any subsidiary or affiliate entity of Grantee, by any franchisees of Grantee, or by a person or entity with whom Grantee contracts. Notwithstanding anything to the contrary herein, this Section 6.4 shall survive the expiration or termination of this Agreement.

6.5. General Breach.

Unless stated elsewhere in this Agreement, Grantee shall be in default under this Agreement if Grantee breaches any term or condition of this Agreement, including but not limited to the provision of Section 4.1.2. In the event that such breach remains uncured

after thirty (30) calendar days following receipt of written notice from the MVEDC referencing this Agreement (or, if Grantee has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty (30) calendar days to cure, then such additional amount of time as is reasonably necessary to effect cure, as determined by both parties mutually and in good faith), the MVEDC shall have the right to terminate this Agreement immediately by providing written notice to Grantee.

7. NO INDEPENDENT CONTRACTOR OR AGENCY RELATIONSHIP.

It is expressly understood and agreed that Grantee shall not operate as an independent contractor or as an agent, representative or employee of the MVEDC. Grantee shall have the exclusive right to control all details and day-to-day operations relative to the Eligible Improvements, Property and any improvements thereon and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees and invitees. Grantee acknowledges that the doctrine of *respondeat superior* will not apply as between the MVEDC and Grantee, its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Grantee further agrees that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the MVEDC and Grantee.

8. INDEMNIFICATION.

GRANTEE, AT NO COST TO THE MVEDC, AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS ELECTED AND APPOINTED OFFICIALS, OFFICERS, ATTORNEYS, AGENTS SERVANTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO GRANTEE'S BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) GRANTEE BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT; OR (ii) ANY ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF GRANTEE, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS, OR SUBCONTRACTORS DUE OR RELATED TO OR ARISING FROM THE ELIGIBLE IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES, INCLUDING EMPLOYMENT, ON THE PROPERTY OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT.

9. NOTICES.

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:

CITY:

**City of Mount Vernon Economic
Development Corporation**

GRANTEE:

**Robert Rosales & Danial Jaweed, owners of
D&R Investments, LLC dba
Lucky 7 Tire & Auto**

Attn: Economic Development Director
109 North Kaufman
P.O. Box 597
Mount Vernon, Texas 75457

Address:
1320 Holbrook Street
Mount Vernon, Texas 75457

**With Copies to (which shall not
constitute notice):**

Boyle & Lowry, L.L.P.
Attn: L. Stanton Lowry
4201 Wingren Dr., Suite 108
Irving, Texas 75062

10. ASSIGNMENT AND SUCCESSORS.

Grantee may assign, transfer or otherwise convey any of its rights or obligations under this Agreement to an Affiliate only upon the express written approval of the MVEDC and the Grantee, the Affiliate and the MVEDC first execute an agreement approved by the MVEDC Attorney under which the Affiliate agrees to assume and be bound by all covenants and obligations of Grantee under this Agreement. Grantee may also assign its rights and obligations under this agreement to a financial institution or other lender for purposes of granting a security interest in the Eligible Improvements and/or Property, provided that such financial institution or other lender first executes a written agreement with the MVEDC governing the rights and obligations of the MVEDC, Grantee and the financial institution or other lender with respect to such security interest approved by the MVEDC Attorney. Otherwise, Grantee may not assign, transfer or otherwise convey any of its rights or obligations under this Agreement to any other person or entity without the prior consent of the MVEDC, which consent may be withheld in the sole discretion of the MVEDC. Any attempted assignment without the MVEDC’s prior consent shall constitute a breach and be grounds for termination of this Agreement and following receipt of written notice from the MVEDC to Grantee. Any lawful assignee or successor in interest of Grantee of all rights under this Agreement shall be deemed “Grantee” for all purposes under this Agreement.

11. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.

This Agreement will be subject to all applicable federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all provisions of the City's codes and ordinances, as amended.

12. GOVERNMENTAL POWERS.

It is understood that by execution of this Agreement, the MVEDC does not waive or surrender any of its governmental powers or immunities that are outside of the terms, obligations, and conditions of this Agreement.

13. NO WAIVER.

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

14. VENUE AND JURISDICTION.

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in Franklin County, Texas or the United States District Court for the Eastern District of Texas. This Agreement shall be construed in accordance with the laws of the State of Texas.

15. NO THIRD PARTY RIGHTS.

The provisions and conditions of this Agreement are solely for the benefit of the MVEDC and Grantee, and any lawful assign or successor of Grantee, and are not intended to create any rights, contractual or otherwise, to any other person or entity.

16. FORCE MAJEURE.

It is expressly understood and agreed by the Parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, or other circumstances which are reasonably beyond the control or knowledge of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such requirement shall be extended for a period of time equal to the period such party was delayed.

17. INTERPRETATION.

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement.

18. SEVERABILITY CLAUSE. It is hereby declared to be the intention of the Parties that sections, paragraphs, clauses and phrases of this Agreement are severable, and if any phrase, clause, sentence, paragraph or section of this Agreement shall be declared unconstitutional or illegal by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or illegality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Agreement since the same would have been executed by the Parties without the incorporation in this Agreement of any such unconstitutional phrase, clause, sentence, paragraph or section. It is the intent of the Parties to provide the economic incentives contained in this Agreement by all lawful means.

19. CAPTIONS.

Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

20. ENTIRETY OF AGREEMENT.

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Grantee, and any lawful assign and successor of Grantee, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties and approved by the MVEDC in an open meeting held in accordance with Chapter 551 of the Texas Government Code.

21. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

EXECUTED as of the last date indicated below:

MVEDC:

**GRANTEE: D&R Investments, LLC dba
Lucky & Tire & Auto:**

By: _____
Mark Sachse
Board President, MVEDC

By: _____
Robert Rosales & Danial Jaweed, Owners

Date: _____

Date: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

SWORN TO AND SUBSCRIBED BEFORE ME on the _____ day of _____,
2026, by _____, _____ on behalf of D&R Investments, LLC dba Lucky 7 Tire &
Auto.

Notary Public in and for the State of Texas

**MOUNT VERNON ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
President
Mount Vernon Economic
Development Corporation

Date: _____

APPROVED AS TO FORM AND LEGALITY:

By: _____
L. Stanton Lowry
MVEDC Attorney

EXHIBITS

“A” – City of Mount Vernon Resolution No. 14-03, establishing the Program

“B” – Application

RESOLUTION 14-03

A RESOLUTION ADOPTING MOUNT VERNON'S EXISTING BUSINESS STRUCTURE ASSISTANCE PROGRAM: AN AGREEMENT BETWEEN THE MOUNT VERNON CITY COUNCIL AND THE MOUNT VERNON ECONOMIC DEVELOPMENT CORPORATION

WHEREAS, the City of Mount Vernon is a Type B economic development corporation as adopted by the citizens of Mount Vernon by election in 1994;

WHEREAS, the Council of the City of Mount Vernon provides oversight to the Mount Vernon Economic Development Corporation; and

WHEREAS, the City of Mount Vernon desires to assist in enhancement and upgrade of existing business building structures to better foster business development and foster increase in ad valorem tax base;

Now, therefore BE IT RESOLVED BY THE CITY OF MOUNT VERNON, TEXAS THAT:

The City Council adopts and approves the Existing Business Structure Assistance Program as established by the Mount Vernon Economic Development Corporation.

PASSED, APPROVED, AND ADOPTED THIS 10th day of February, 2014

Margaret Sears
Margaret Sears - Mayor

ATTEST:

Tina Rose, City Secretary Tina Rose



Mount Vernon Economic Development Corporation

109 N. Kaufman St., Mount Vernon, TX 75457

Application for Economic Development Assistance

APPLICATION MUST BE FILLED OUT AND RETURNED BEFORE THE PROJECT STARTS

(emergency situations will be considered on a case by case basis)

The following information is requested for all projects seeking economic development assistance from the Mount Vernon Economic Development Corporation (MVEDC). Please fill in all spaces on the application form. If the information requested is not applicable, enter "N/A" in the space. **Incomplete applications will not be considered for assistance.** Following receipt of the application, MVEDC may require additional information to be submitted to indicate the financial abilities or other factors of the company.

Applicant/Business Name		Business Ownership	
D&R Investments LLC dba Lucky 7 Tire & Auto		50% Robert Rosales 50% Danial Jaweed	
Business Type			
Sole Proprietorship_____		Partnership_____ Corporation_____	
Other LLC			
Date of Business Establishment		04/2025	
Mailing Address (Business Headquarters)			
PO Box 483			
City		State	Zip Code
Mt Vernon		TX	75457
Phone Number		Fax Number	
903-537-7425 Office			
Applicant's Representative		Title	
Danial Jaweed		Owner	
Mailing Address (if different from above)			

City		State	Zip Code
Phone Number	Fax Number	Email Address	
		dj@grntreetech.com	

Additional Authorized Representative		Title	
Robert Rosales		Owner	
Mailing Address (if different from above)			
175 HWY 67 E			
City		State	Zip Code
Mt Vernon		TX	75457
Phone Number	Fax Number	Email Address	
		robert@pjmusa.com	

Project Information

Description of the Project

The proposed project involves an exterior aesthetic renovation and essential maintenance improvements for an existing commercial property located in Mt. Vernon. The scope includes:

1. **Building Repainting:**
 - The exterior of the main building and adjacent office structures have been repainted with a modern matte black finish to create a clean, cohesive, and professional appearance.
2. **Office Siding Update:**
 - The siding of the front office area has been updated from its original material to a neutral grey finish, creating contrast and visual balance with the black structure while enhancing curb appeal.
3. **Signage and Branding:**
 - A bold and professionally designed mural has been painted on the side of the building featuring the name “**Lucky 7**” in large white stylized lettering.
 - The front façade displays the full business name “**Lucky 7 Tire & Auto**” in white lettering above the office entrance, clearly identifying the business for passing traffic and customers.
4. **Gate Refurbishment:**
 - All existing gates on the property will be **sanded and repainted** to match the new black exterior color scheme, ensuring a uniform look and extending the life of the metalwork.
5. **Roof Repairs:**
 - Minor roof leaks identified during inspection will be **professionally repaired** to prevent further water damage and ensure the structural integrity of the building.

Purpose and Community Impact:

This visual and structural renovation enhances the local streetscape and supports small business growth in Mt. Vernon by:

- Increasing the visibility and recognizability of a locally owned auto service business.
- Improving the visual quality and commercial character of the area.
- Preserving the property through preventive maintenance and repairs.
- Encouraging investment and foot traffic in the surrounding neighborhood.

All changes are non-structural except for routine maintenance and do not alter the building’s footprint. This project supports the continued economic development of Mt. Vernon and aligns with local business and beautification goals.

NAICS Code	NAICS Code Description (if multiple please list all that apply)			
441320	Tire Dealer			
Property Address		Legal Description (attach if necessary)		
1320 Holbrook St Mt Vernon TX 75457				
Is this Project inside the City limits?	Yes	No		
Is this Project in the Historic District?	Yes	No		
If Yes, does this Project require approval from the Landmark Commission?	Yes	No		
Date of Landmark Commission Review				
Will this Project generate sales tax?	Yes	No		
What is your taxpayer ID?	32099555966			
Anticipated Total Sales				
Year 1	Year 2	Year 3	Year 4	Year 5
700,000	800,000	900,000	1,100,000	1,200,000
Anticipated Total Taxable Sales (excludes items that are exempt from sales tax)				
Year 1	Year 2	Year 3	Year 4	Year 5

Does this Project create or retain jobs?		Yes	No		
Jobs Created (new jobs that did not exist prior to this project)					
Year 1 (Positions/FTEs)	Year 2 (Positions/FTEs)	Year 3 (Positions/FTEs)	Year 4 (Positions/FTEs)	Year 5 (Positions/FTEs)	
5	5	5	5	5	
Average Annual Salary					
50,000	50,000	50,000	50,000	50,000	
Jobs Retained (jobs that would likely be lost without this project)					
Year 1 (Positions/FTEs)	Year 2 (Positions/FTEs)	Year 3 (Positions/FTEs)	Year 4 (Positions/FTEs)	Year 5 (Positions/FTEs)	
3	3	3	3	3	
Average Annual Salary					
Does the applicant own or lease the property associated with this Project?		Own	Lease		
Property Owner Information, if leased					
Property Owner Name		Danial Jaweed Robert Rosales			
Property Owner Phone Number		[REDACTED]			
Property Owner Email		dj@grntreetech.com robert@pjmusa.com			
Property Owner Address		1320 Holbrook Street			
City			State	Zip Code	
Mt Vernon			TX	75457	
Lease Amount		Period (Annually/Monthly)			

PROOF OF LEASE WILL BE REQUIRED

Current Appraised Value of Property	550,000
Are all Property Taxes Paid on this Property?	Yes No
If No, please explain	
Are Improvements being made to the Property?	Yes No
Estimated Cost of Improvements to be Made	50,000
Anticipated Construction Start Date	Aug 2025
Anticipated Construction Completion Date	Nov 2025
Description of Improvements to be Made	

1. Painting Exterior of Building (Black)

- **Labor + Materials (matte black paint, primer, equipment)**
 - Estimated cost: **\$13,500 – \$17,500**
(Depends on square footage and whether spray or roller application is used)
-

2. Painting and Updating Office Siding to Grey

- **Reskin or repaint siding area + prep work**
 - Estimated cost: **\$1,000 – \$2,500**
-

3. Mural & Signage (Custom “Lucky 7” Artwork in White)

- **Professional muralist or signage painter**
 - Estimated cost: **\$1,200 – \$2,500**
(Depending on artist, detail level, and surface prep)
-

4. Install/Update Front Signage “Lucky 7 Tire & Auto”

- **Cut vinyl, metal, or painted lettering**
 - Estimated cost: **\$800 – \$2,000**
-

5. Sanding & Painting Metal Gates

- **Labor-intensive: prep + rust removal + repainting**
 - Estimated cost: **\$750 – \$1,500**
-

6. Roof Leak Repairs

- **Patching small leaks, sealing seams, minor flashing work**
- Estimated cost: **\$1,500 – \$3,000**
(If it's minor leaks. More extensive damage would increase this)

PLEASE PROVIDE WRITTEN BIDS OR COST ESTIMATES REGARDING ANY PROPOSED IMPROVEMENTS.

Please indicate any of the following that you have consulted on this Project (check as many as apply)			
<input type="checkbox"/>	Ark-Tex Council of Governments	<input type="checkbox"/>	Franklin County
<input type="checkbox"/>	Franklin County Chamber of Commerce	<input type="checkbox"/>	Local Workforce Board
<input type="checkbox"/>	North Texas Community College	<input type="checkbox"/>	Small Business Development Administration
<input type="checkbox"/>	Texas Workforce Commission	<input type="checkbox"/>	
Other, Please specify below and provide written documentation			

Please indicate the Economic Development Assistance Programs for which you would like to apply (check as many as apply)			
<input type="checkbox"/>	Graduated Rental Assistance	<input type="checkbox"/>	Existing Business Structure Assistance
<input type="checkbox"/>	Job Creation/Retention Incentives	<input type="checkbox"/>	Business Recruitment Incentives
<input type="checkbox"/>	Business Retention Assistance	<input type="checkbox"/>	
Guidelines and Descriptions of each Incentive Are Provided as an Appendix to this Document.			

Attachments That Will Be Required			
	Plat/Map/Elevations of Project		Renderings/Plans for Improvements
	Copies of Required Permits		Business Plan
	Financial Reports for previous years		IRS Reporting
	Tax Certificate		Proof of Property Ownership or Lease Agreement
	Property Owner's Certification		Receipts for Work Performed Prior to Application Submission
These items must be submitted with the initial application for consideration of the application. Additional documents may be requested as necessary.			

Incentive Process and Timeline

1. Completed application must be returned to the EDC office at Mt. Vernon City Hall prior to work commencing.
2. For projects involving incentives between \$1,000 - \$4,999.00 the EDC must hold a public hearing on the project and allow 60 days to pass since the first public notice of the project prior to expending funds.
3. For projects from \$5,000 - \$9,999, the EDC must hold a public hearing on the project and allow 60 days to pass since the first notice of the project, and the City Council must approve the project and incentives, prior to expending EDC funds on the project.
4. For projects \$10,000 and above, the EDC must hold a public hearing on the project and allow 60 days to pass since the first notice of the project, and the City Council adopts a resolution authorizing the project after giving it two separate readings, prior to expending EDC funds on the project.

Business Plan Assistance may be obtained through the Northeast Small Business Development Center in Mt. Pleasant, Texas.

Amber Keith
 Business Advisor
 Northeast Small Business Development Center
www.northeasttxsbdc.org
 903-490-0822 Office
 903-490-2826 Cell

AFFIRMATION OF APPLICANT(S)

I (We) the undersigned do hereby acknowledge and/or certify, as the case may be, the following:

1. Prior to submission of this application, the included guidelines for all programs have been obtained, reviewed, and clearly understood by the applicant.
2. That the submission of this Application does not create any property, contract, or other legal rights in any person or entity to have the MVEDC provide grant funding.
3. That if grant funding is approved, full compliance will be maintained with all the provisions of the provided guidelines, performance agreements, and/or special provisions attached as a part of the grant, and that failure to do so will be grounds for

ineligibility to receive previously approved grant funding and / or sales tax recapture by MVEDC or the City of Mount Vernon.

- 4. The Mt. Vernon City Council shall approve any incentive involving expenditures exceeding \$5,000.
 - 5. That before application is to be reviewed by the MVEDC, a designee(s) of the MVEDC shall have the right to inspect the business and work to be considered.
 - 6. That the MVEDC reserves unto itself its absolute right of discretion in deciding whether or not to approve a grant relative to this application, whether or not such discretion is deemed arbitrary or without basis in fact.
 - 7. That the laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of the provided guidelines and this Application. If any provision or provisions of these should be held invalid or unenforceable, the validity and enforceability of the remaining provisions of these shall not be affected thereby.
 - 8. That the information provided in this Application, and all that may have been affixed hereto, is true and correct, and that the MVEDC may rely on all information herein contained, and all that may have been affixed hereto, as being true and correct
 - 9. Any criminal activities involving applicant, whether on or off-site premises, will render this application and / or contract null and void.
 - 10. Where approved incentives are reimbursement recipient must present paid invoices and/or cancelled checks to vendors. Certificate of Occupancy issued by City of Mount Vernon must be issued before any MVEDC funds are expended.
 - 11. Texas Government Code Section 2264.01 Certification
Company certifies that Company, or a branch, division, or department of Company, does not and will not knowingly employ an undocumented worker. If, after receiving a public subsidy, Company or a branch, division, or department of company is convicted of a violation under 8 U.S. C. Section 1324a(f), Company shall repay in full the amount of the public subsidy paid by MVEDC to Company.
 - 12. The City of Mount Vernon and/or MVEDC may exercise the right to reclaim any incentives should the recipient not fulfill any portion of its stated obligation as outlined in any incentive agreement resulting from this application submission.
 - 13. Making application and complying with specific requirements does not guarantee that requested incentives will be granted by the MVEDC Board or City Council.
- I, the undersigned, understand this process may take several months and attendance of several meeting. Filing an application with the City does not guarantee approval from the City Council. The city reserves the right to retain outside consultants to review this application, all data provided, and conduct an independent evaluation. Further, the applicant understands and agrees that this application and all data and communications may be considered a public record pursuant to the Texas Public Information Act."

Signed this _____ day of _____, 20_____

(Print Authorized Representative Name)

 (Applicant Signature)

Appendix A: Property Owner's Certification

Property Owner Name			
Property Owner Phone Number			
Property Owner Email			
Property Address			
City		State	Zip Code
Lease Amount		Period (Annually/Monthly)	

Anticipated Construction Start Date	
Anticipated Construction Completion Date	
Description of Improvements to be Made	

I have reviewed all information above and certify that it is true and correct. Further, I certify that I have reviewed and approved all improvements to be made to the property as described above.

 Owner Signature

 Date

Appendix B: Economic Development Assistance Program Guidelines

Graduated Rental Assistance

- The primary goal of the Graduated Rental Assistance Program is to reduce the burden of rental expenses on new businesses and to help offset the initial startup costs of the business.

- The business must be a for-profit venture. Nonprofit and governmental organizations are not eligible for the program.
- Grant funds cannot be used to fund rent for any portion of the property used for residential purposes. In such cases, the total rent amount may be adjusted proportionally to reflect usage of the property.
- At no point will MVEDC pay 100% of the rental expenses for any recipient of this program.
- The rental assistance is designed to assist the business owner with rental expense over a period of time, but the owner will assume responsibility of the full rental costs at the end of the rental assistance period as determined by the MVEDC
- All disbursements through this program will be made in the form of a reimbursement following the submission of a copy of the canceled check paid to the property owner and/or a receipt from the property owner, or direct payment of rental assistance to the property owner/landlord.
- Generally, the program can span any amount of time up to 12 months with MVEDC reimbursing the business owner's rental expense in four installments: 25% of the total rent cost to be paid for the first installment; 50% of the total rent cost to be paid for the second installment; and 75% of the total rent cost to be paid for the third installment of the rental agreement term. Rental assistance from the MVEDC to the business owner shall not be granted until the termination of free or subsidized rent from the property owner. Term of assistance and length of payment installments shall be negotiated between business and MVEDC, with the decision of the MVEDC being final.
- The City Council upon recommendation by the MVEDC Board may approve a modification to the standard rate and duration of the program on a case-by-case basis.
- Recipients may receive only one Graduated Rental Assistance Agreement per business.
- Rental amount and must be comparable to similar rental rates for similar properties in the area of the business property.
- Rental assistance shall not exceed \$6,000 for any business.
- All disbursements through this program will be subject to requirements set forth in an incentive performance agreement, including but not limited to a period for which the business must remain in operation following the completed disbursement of funds.
- MVEDC assumes no liability for the satisfaction of the lease agreement between the property owner and the tenant. This agreement is between the tenant and the MVEDC and will be strictly a reimbursement of the costs required to satisfy the terms of the tenant's lease agreement with the property owner.

Existing Business Structure Assistance

- The purpose of the Existing Business Structure Assistance Program is to enhance the economic sustainability of the City of Mount Vernon by assisting for profit business building owners and lessees in business building renovation processes; thereby encouraging increased ad valorem and / or sales taxes.
- The structure on which the improvements to be made must be at least five years old.
- Owners of multiple structures may submit only one application per fiscal year and may not have existing agreements on multiple properties at any one time.
- MVEDC may approve the full amount requested, a portion of the amount requested, or no amount at all.
- All grants provided under this program are reimbursements for cash expenditures by the applicant and require the applicant provide a match of at least twice the amount awarded (2:1 match required).
- Nonprofit and governmental organizations are not eligible to receive this funding.
- Applicants cannot have more than 20 full-time employees at the time of application
- All tax obligations must be current
- Property owners must submit Appendix A: Property Owner's Certification if the applicant is a tenant at the property
- The business owner will be required to obtain all necessary city and/or state permits, zoning, inspections, etc.... prior to applying for funding.
- The business owner must demonstrate best effort in obtaining at least 3 bids for improvements. The bids or documentation of best effort must be included in the application.
- The structure must be located within the Mount Vernon City limits.
- Applicants must have a valid Certificate of Occupancy from the City of Mount Vernon prior to receiving program funding.
- All disbursements through this program will be subject to performance requirements set forth in an incentive agreement, including but not limited to a period for which the business must remain in operation following the completed disbursement of funds.

For projects that require an expenditure of more than \$10,000, the City Council must adopt a resolution authorizing the project after giving the resolution at least two separate readings.

JOB CREATION INCENTIVE

Program funding will be available to new and / or expanding businesses meeting the following criteria:

1. Business must be in Mount Vernon.
2. Business must be a For Profit business.
3. Owner or shareholders do not count as 'new hires.'
4. Must be Full time jobs, 32 hours per week, 52 weeks per year. No part time employees or combination of part time employees will be considered.
5. Mount Vernon Economic Development Corporation must approve all applications before business engages 'new hires.'
6. Business owners or shareholders cannot be employed by Mount Vernon Economic Development Corporation or City of Mount Vernon.
7. Business name on application must be identical to the name listed on all documents required to engage in business, including business tax receipts.
8. Mount Vernon Economic Development Corporation may grant an amount up to \$600 per job, with a bonus \$200 for every employee that resides within the city limits and earns more than \$13.00 per hour for unskilled and \$20.00 per hour for skilled labor. Number of jobs incentivized would be no more than 20 full-time employees, unless otherwise determined by Mount Vernon EDC.
9. This is a 'reimbursement only' program; business applicant will be reimbursed 'per job' after new hire has completed 12 months employment. Texas Workforce Commission Quarterly reports required as documentation.
10. New employee hire must result in a net increase in full time employees from the time of application at the end of the 12-month period. Documentation will be required from business incentive recipient showing number of employees at MVEDC approval date vs. number of employees at the 12-month 'benchmark.'



Customer

Lucky 7 Tire Shop

07/08/2025

Components

Price

Paint building, pressure wash-scrape, prime where needed; included 2 coats of paint

\$13,000.00

Office exterior-black metal; materials and labor

\$1,750.00

Repair roof leak with new panels

\$900.00

Truck load of trash

\$125.00

Electrical-convert lights to LED

\$450.00

Subtotal

\$16,225.00

Overhead

\$1,622.50

Profit

\$1,622.50

Total

\$19,470.00

Tommy McFadden

Tommy McFadden

CEO

Gmp Pro Painting 903 243 6210 995187

CUSTOMER'S ORDER NO.		DEPARTMENT	DATE
NAME tire shop mt vernon tx			
ADDRESS			
CITY, STATE, ZIP			
SOLD BY	CASH	C.O.D.	CHARGE
			ON ACCT.
			MDSE. RETD.
			PAID OUT

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	Power wash. scrape, Primer and		
2	Paint a 80x75 metal buidng		
3	Including all walls and roll up doors		
4	and install 6 led lighth		
5	also an Office Remove old Sading		
6	to install metal to matche		
7	the rest of Buidng whit.		
8	2 colors, also paint under the		
9	shade on the back side		
10	Price includes labor and material		
11	the office Price is only for		
12	walls		
13			
14			
15			
16			
			\$13,075

Painting & Exterior Improvements Agreement

Project: Lucky 7 Tire & Auto — Exterior Power Wash, Paint, Lighting, Metal Siding, and Minor Roof Sealing

Project Address: 1320 Holbrook MT View

Agreement Date: 9/10/20, 2025

Parties

Client/Owner: D&R Investments ("Client")

Client Representative: Robert (robert@pjmusa.com)

Mailing Address:

PO Box 483 Mount View TX

Phone [REDACTED]

Contractor: GMP Pro Painting ("Contractor")

Contractor Representative: Gonzalo Mejia ("Gonzalo")

Phone: 903-243-6210

Email: Chalo_25_mejia.com (confirm)

Mailing Address:

1) Scope of Work

Contractor shall furnish all labor, materials, equipment, and supervision necessary to complete the following scope in a workmanlike manner:

1. Power Wash & Scrape the entire building exterior measuring approximately 80' x 75', including all roll-up doors; leave all windows clear (masked and not painted).
2. Surface Prep & Prime: Prime all areas to be painted per manufacturer specs.
3. Painting:
 - Walls: Finish color Black.
 - Roll-Up Doors: Finish color Grey, using Dmp paint as specified by Client.
 - Work includes full, uniform coverage; Contractor acknowledges it may require more than one coat to achieve a consistent finish.

- Color Samples/Draw-downs to be shown to Client for written/email approval before starting.

4. Safety Poles: Paint all poles by doors with Safety Yellow paint.

5. Office Exterior Siding: Remove existing exterior siding at office area (haul off all debris) and replace with black metal panels to match the main building profile/color.

6. LED Lighting Replacement (6 total): (1) on North side, (1) on South side, (2) on West side, (2) on East side. Includes removal of existing fixtures, installation of new LED fixtures provided by Contractor (or approved equivalent), and proper disposal of old fixtures.

7. North Window Unit: Remove existing window A/C unit on North side and cover the window opening with black metal panel to match.

8. Roof Fasteners & Leak Touch-ups: Seal all exposed roof screws and repair minor leaking areas (spot sealing only; not a full re-roof or comprehensive roof warranty).

9. Inclusions: Standard masking; protection of adjacent surfaces; cleanup and debris haul-off daily and at completion; ladders/scaffolding/equipment; primers/paints/consumables necessary to perform the work as specified.

10. Exclusions: Structural repairs, framing, sheathing replacement beyond localized anchoring for metal panels; mold/asbestos/lead abatement; electrical re-circuiting beyond fixture replacement; new circuits, switches, or controls; conduit reroutes; interior work; glass replacement; gutter/downspout replacement; landscaping; full roof replacement; unforeseen substrate repairs (rotted/damaged areas) unless approved by change order.

2) Price & Payment Terms

Contract Sum (Lump-Sum): \$18,670.00 (eighteen thousand six hundred seventy dollars).

Deposit (25% to start): \$4,667.50 due upon execution.

Balance Due on Completion: \$14,002.50, payable upon Substantial Completion and Client walkthrough/acceptance, no later than 24 hours after invoice.

Payments by: ACH Check Other:

Taxes/Fees: Any applicable sales/use taxes, permit fees, or inspection fees not included above shall be billed at cost (with receipts) if required.

Lien Waivers: Contractor shall provide a conditional lien waiver with each progress/final payment request and an unconditional final lien waiver upon receipt/clearance of final payment.

Late Payments: Past-due balances accrue at 1.5% per month (or the maximum allowed by law), plus reasonable collection costs/attorney's fees.

3) Schedule & Access

Estimated Duration: 2 weeks, weather permitting. Weather delays and supply interruptions shall extend the schedule day-for-day.

Start Date: _____ (TBD by mutual agreement following color approval and deposit).

Work Hours: Mon-Sat during normal daylight/business hours unless otherwise agreed. Client to provide reasonable building/site access, water, and power.

4) Quality, Samples & Acceptance

Contractor will follow manufacturer specifications for surface prep, priming, and application.

Color samples (black and grey) will be submitted for written/email approval before production.

Acceptance Standard: Uniform coverage without holidays, drips, or visible bleed-through under normal lighting at a standard viewing distance (6-10 feet). Windows are to remain free/clear of overspray or paint. Poles to be bright, consistent safety yellow. Metal panels to be plumb/secured and aligned to match building profile.

A joint walkthrough will be conducted at Substantial Completion to generate a punch list (if any). Contractor will complete punch items within a reasonable time.

5) Warranty

Workmanship Warranty: 1 year from Substantial Completion against peeling, blistering, or flaking due to

defective workmanship (and for leaks at screw-seal points addressed by this scope).

Exclusions: Failures due to substrate moisture/vapor, pre-existing coating failures, building movement, impact/abuse, acts of God, ponding water, unaddressed roof system deficiencies, or maintenance neglect.

Materials: Manufacturer warranties pass through to Client where applicable.

6) Change Orders & Unforeseen Conditions

Any work not expressly included in Section 1 is extra and requires a written change order signed by Client prior to performance. Unforeseen conditions (e.g., hidden damage/rot, corroded metal, electrical issues, or roof deficiencies beyond screw-sealing) will be promptly documented with photos and priced for Client approval.

7) Safety, Permits & Compliance

Contractor shall maintain a safe worksite and comply with applicable OSHA and local codes. If permits/inspections are required for lighting or exterior metal work, the parties will cooperate; any direct permit fees shall be reimbursed at cost via change order. Licensed subcontractors will be used as required by law.

8) Insurance & Indemnification

Contractor shall carry Commercial General Liability insurance of not less than \$1,000,000 per occurrence and Workers' Compensation as required by law and will furnish a Certificate of Insurance upon request; Client may be named as Additional Insured for ongoing/completed operations. Each party shall indemnify and hold the other harmless from third-party claims to the extent caused by its own negligence or willful misconduct.

9) Cleanup & Protection

Contractor will protect adjacent surfaces and landscaping, keep the site tidy, and at final completion will remove tools, equipment, masking, and debris, leaving the work area broom-clean.

10) Termination

Either party may terminate for material breach after 5 business days written notice and failure to cure. If terminated for Client convenience, Client shall pay for all

work performed to date, mobilization, non-cancelable materials, and reasonable demobilization costs.

11) Dispute Resolution & Governing Law

This Agreement is governed by the laws of the State of Texas. The parties will first attempt good-faith negotiation; if unresolved, disputes may be mediated in the county where the Project is located before litigation.

12) Entire Agreement

This Agreement (with any approved change orders) constitutes the entire understanding regarding the Work and supersedes prior proposals or discussions. Any amendment must be in writing and signed.

Signatures

Client / Owner

D&R Investments

By: 

Name & Title: Robert R. Rosales

Date: 9-10-2025

Contractor

GMP Pro Painting

By: 

Name & Title: Gonzalo Mejia owner

Date: 9-10-25

Attachments (to be provided at or before start):

- A. Color samples/draw-downs (Black walls; Grey roll-up doors/Dmp paint) — Client Approval
- B. Product data sheets for primer and finish systems
- C. Light fixture cut sheets (model/spec)
- D. Certificate of Insurance (Additional Insured endorsement if requested)

**EMMANUEL QUALITY CONSTRUCTION,
LLC**
202 Scott St, Mount Vernon Texas
Mount Vernon, TX 75457 US
+19032702095
mainoffice@eqconstructionllc.com



Estimate

ADDRESS

Denise Stephenson
Lucky7
1320 Holbrook St
Mount Vernon, Texas 75457

SHIP TO

Denise Stephenson
Lucky7
1320 Holbrook St
Mount Vernon, Texas 75457

ESTIMATE # 1182

DATE 07/08/2025

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Project Overview	Paint job and replace the siding with metal sheets	1	0.00	0.00
	Project Overview	power washing the first floor Remove the old floor paint	1	0.00	0.00
	Project Overview	floor 2 Apply a base sealer	1	0.00	0.00
	Project Overview	Remove the t1-11 from the wall To install metal sheets color black Paint inside the office	1	0.00	0.00
	Project Overview	floor 4 Paint all walls and doors	1	0.00	0.00
	Project Overview	Water filtration fix the leaks Replace 8 lights inside the building Lights Provided by Owner	1	0.00	0.00
	Project Overview	total Material 5 year warranty Outside materials Pro IND Multi-surface acyclic Water based Single coat of primer Double coat of paint	1	39,827.00	39,827.00

TOTAL

\$39,827.00

Accepted By

Accepted Date

MOUNT VERNON HOUSING AUTHORITY

SUSAN REEVES
EXECUTIVE DIRECTOR

PHONE (903) 537-4452 / EMAIL mvha@peoplescom.net

POST OFFICE BOX 639

MOUNT VERNON, TEXAS 75457

March 17, 2026

City of Mount Vernon
P.O. Box 597
Mount Vernon, TX 75457

Attn: Angie Pike,

The Housing Authority of the City of Mount Vernon would like to recommend the appointment of the following individuals to serve on the Board of Commissioners:

- Larry Scott has been serving on the board since May 2022 when he replaced Pat Wright.
- Linda Teague has been serving on the board since May 2022 when she replaced Janice Messer as the tenant representative.

The following commissioners are recommended for reappointment to the board:

- A.J. Bell, Jr. has been serving since October 2005
- Wayne Thames has been serving since December 2013
- Greg Carr has been serving since June 2016

Let the office know if you have any questions.

Respectfully,

Susan Reeves

Susan Reeves
Executive Director

**CERTIFICATE OF APPOINTMENT
OF THE HOUSING AUTHORITY OF THE CITY OF
MOUNT VERNON**

I hereby appoint the following person hereinafter named to serve as
Commissioner of the Housing Authority of the City of Mount Vernon, Texas from the
___ day of _____ 2026, until the expiration date as indicated below:

Larry Scott expires 05/01/2027.

I hereby certify that the above newly designated Commissioner is not an officer or
employee of the City of Mount Vernon.

IN WITNESS WHEREOF, I HAVE HEREUNTO SIGNED MY NAME AS
mayor of the City of Mount Pleasant, Texas, and caused the official seal of said City to
be attached this _____ day of _____, 2026.

Mayor

Attest:

City Clerk

SEAL

**CERTIFICATE OF APPOINTMENT
OF THE HOUSING AUTHORITY OF THE CITY OF
MOUNT VERNON**

I hereby appoint the following person hereinafter named to serve as
Commissioner of the Housing Authority of the City of Mount Vernon, Texas from the
___ day of _____ 2026, until the expiration date as indicated below:

Linda Teague, resident member, expires 05/01/2027.

I hereby certify that the above newly designated Commissioner is not an officer or
employee of the City of Mount Vernon.

IN WITNESS WHEREOF, I HAVE HEREUNTO SIGNED MY NAME AS
mayor of the City of Mount Pleasant, Texas, and caused the official seal of said City to
be attached this _____ day of _____, 2026.

Mayor

Attest:

City Clerk

SEAL

**CERTIFICATE OF APPOINTMENT
OF THE HOUSING AUTHORITY OF THE CITY OF
MOUNT VERNON**

I hereby appoint the following person hereinafter named to serve as
Commissioner of the Housing Authority of the City of Mount Vernon, Texas from the
___ day of _____ 2026, until the expiration date as indicated below:

A.J. Bell, Jr. expires 05/01/2028.

I hereby certify that the above newly designated Commissioner is not an officer or
employee of the City of Mount Vernon.

IN WITNESS WHEREOF, I HAVE HEREUNTO SIGNED MY NAME AS
mayor of the City of Mount Pleasant, Texas, and caused the official seal of said City to
be attached this _____ day of _____, 2026.

Mayor

Attest:

City Clerk

SEAL

**CERTIFICATE OF APPOINTMENT
OF THE HOUSING AUTHORITY OF THE CITY OF
MOUNT VERNON**

I hereby appoint the following person hereinafter named to serve as
Commissioner of the Housing Authority of the City of Mount Vernon, Texas from the
___ day of _____ 2026, until the expiration date as indicated below:

Wayne Thames expires 05/01/2028.

I hereby certify that the above newly designated Commissioner is not an officer or
employee of the City of Mount Vernon.

IN WITNESS WHEREOF, I HAVE HEREUNTO SIGNED MY NAME AS
mayor of the City of Mount Pleasant, Texas, and caused the official seal of said City to
be attached this _____ day of _____, 2026.

Mayor

Attest:

City Clerk

SEAL

**CERTIFICATE OF APPOINTMENT
OF THE HOUSING AUTHORITY OF THE CITY OF
MOUNT VERNON**

I hereby appoint the following person hereinafter named to serve as
Commissioner of the Housing Authority of the City of Mount Vernon, Texas from the
___ day of _____ 2026, until the expiration date as indicated below:

Greg Carr expires 05/01/2027.

I hereby certify that the above newly designated Commissioner is not an officer or
employee of the City of Mount Vernon.

IN WITNESS WHEREOF, I HAVE HEREUNTO SIGNED MY NAME AS
mayor of the City of Mount Pleasant, Texas, and caused the official seal of said City to
be attached this _____ day of _____, 2026.

Mayor

Attest:

City Clerk

SEAL



AGENDA ITEM REQUEST

Policy and Guidelines for City Council Agenda

Only the Mayor, Councilperson, City Administrator or City Secretary will be allowed to put items on the agenda

Items to be on the agenda must be in the City Secretary's office no later than 12:00 pm, 10 business days prior to the meeting

Name: JOSE SANTIBANEZ Phone # 903 537 0321 Email Address: _____

Mailing Address: 1109 HOLBROOK ST

Agenda Item Request Water Bill being so high due to water leak during winter storm.

ANABEL SANTIBANEZ 903 537 0321

Anabel S.
Signature

3-12-2026
Date

DAILY CONSUMPTION ANALYSIS

March 1, 2026 - March 31, 2026

Item 10.

MOLINA, JOSE SANTIBANEZ

Account Number: 04-0860-04

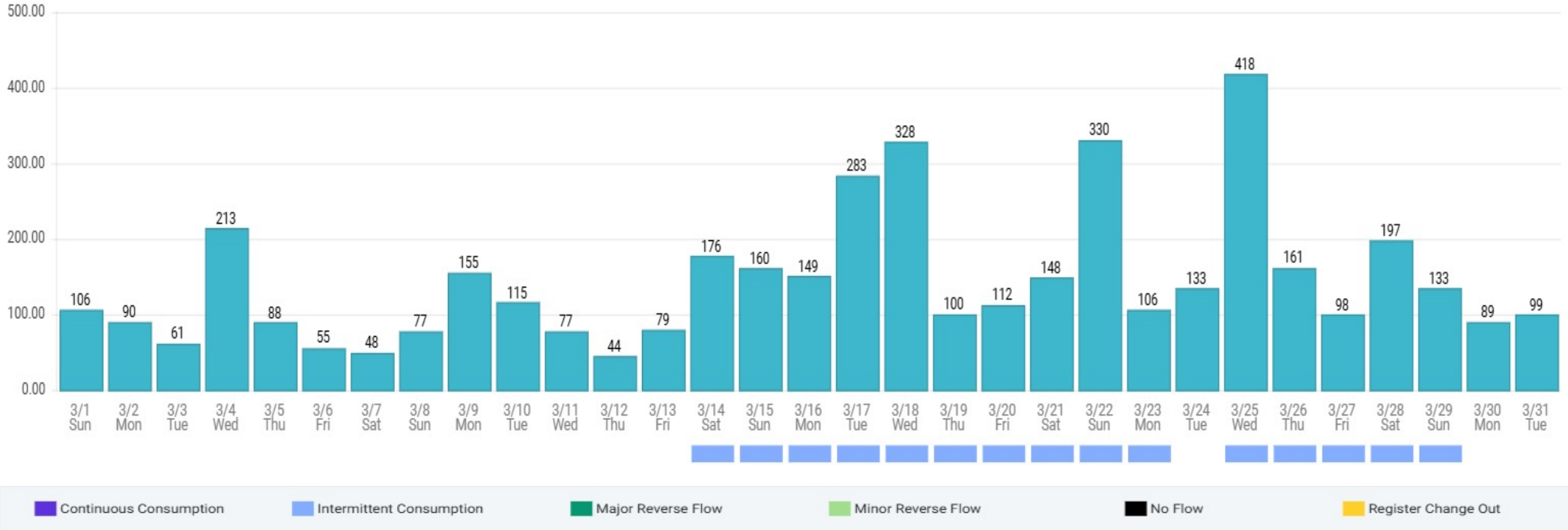
Address: 1109 HOLBROOK

MIU ID: 1579133508

Meter Number: 16872475

Unit of Measure: Gallons

Total Consumption: 4,427.8 Gallons



Date	Consumption	Reading
3/31/2026 Tue	99.000	02069866
3/30/2026 Mon	89.400	02068876
3/29/2026 Sun	133.300	02067982
3/28/2026 Sat	196.900	02066649
3/27/2026 Fri	98.300	02064680
3/26/2026 Thu	161.200	02063697
3/25/2026 Wed	418.000	02062085
3/24/2026 Tue	133.400	02057905
3/23/2026 Mon	105.600	02056571
3/22/2026 Sun	330.300	02055515
3/21/2026 Sat	147.500	02052212
3/20/2026 Fri	112.100	02050737
3/19/2026 Thu	100.100	02049616
3/18/2026 Wed	327.800	02048615
3/17/2026 Tue	283.300	02045337
3/16/2026 Mon	149.300	02042504
3/15/2026 Sun	159.700	02041011
3/14/2026 Sat	176.200	02039414
3/13/2026 Fri	79.000	02037652
3/12/2026 Thu	44.100	02036862
3/11/2026 Wed	76.800	02036421
3/10/2026 Tue	114.800	02035653
3/9/2026 Mon	154.800	02034505
3/8/2026 Sun	77.100	02032957
3/7/2026 Sat	48.100	02032186
3/6/2026 Fri	54.900	02031705
3/5/2026 Thu	88.000	02031156
3/4/2026 Wed	212.800	02030276
3/3/2026 Tue	61.000	02028148
3/2/2026 Mon	89.500	02027538
3/1/2026 Sun	105.500	02026643

DAILY CONSUMPTION ANALYSIS

February 1, 2026 - February 28, 2026

Item 10.

MOLINA, JOSE SANTIBANEZ

Account Number: 04-0860-04

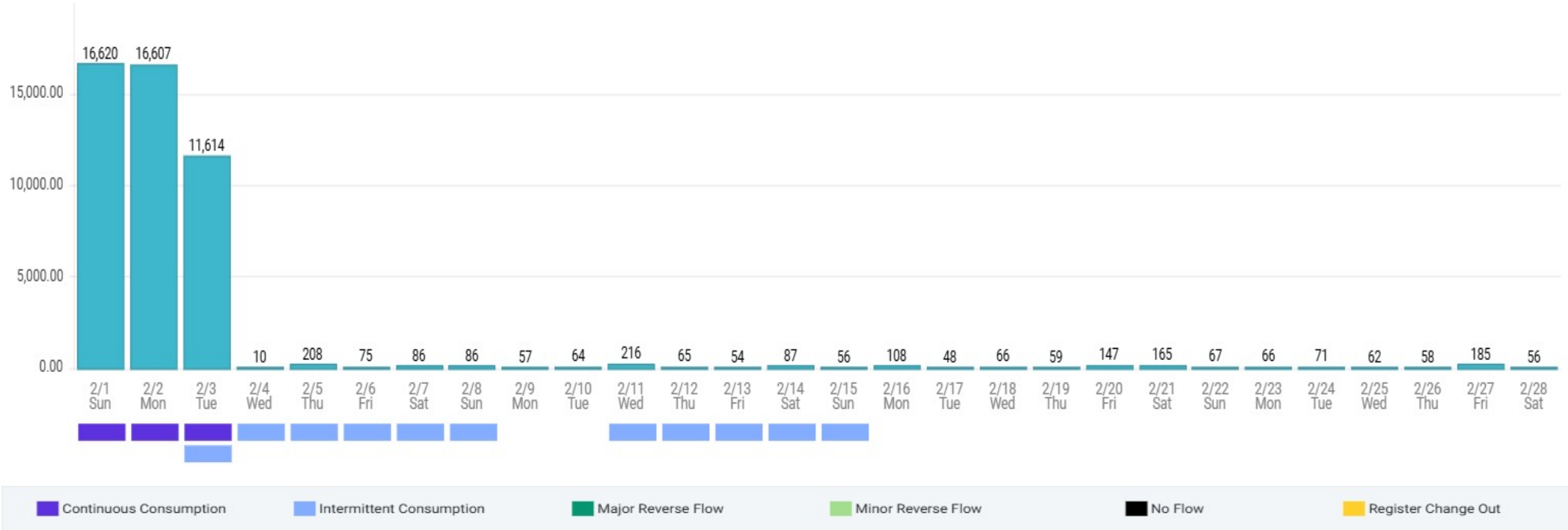
Address: 1109 HOLBROOK

MIU ID: 1579133508

Meter Number: 16872475

Unit of Measure: Gallons

Total Consumption: 47,063.5 Gallons



Date	Consumption	Reading
2/28/2026 Sat	55.900	02025588
2/27/2026 Fri	185.400	02025029
2/26/2026 Thu	58.400	02023175
2/25/2026 Wed	61.900	02022591
2/24/2026 Tue	71.200	02021972
2/23/2026 Mon	66.200	02021260
2/22/2026 Sun	67.300	02020598
2/21/2026 Sat	164.600	02019925
2/20/2026 Fri	147.200	02018279
2/19/2026 Thu	58.800	02016807
2/18/2026 Wed	66.000	02016219
2/17/2026 Tue	47.600	02015559
2/16/2026 Mon	107.900	02015083
2/15/2026 Sun	55.900	02014004
2/14/2026 Sat	87.200	02013445
2/13/2026 Fri	54.400	02012573
2/12/2026 Thu	65.200	02012029
2/11/2026 Wed	215.600	02011377
2/10/2026 Tue	64.200	02009221
2/9/2026 Mon	57.300	02008579
2/8/2026 Sun	85.700	02008006
2/7/2026 Sat	86.200	02007149
2/6/2026 Fri	75.100	02006287
2/5/2026 Thu	207.700	02005536
2/4/2026 Wed	10.000	02003459
2/3/2026 Tue	11,614.400	02003359
2/2/2026 Mon	16,606.600	01887215
2/1/2026 Sun	16,619.600	01721149

DAILY CONSUMPTION ANALYSIS

January 1, 2026 - January 31, 2026

Item 10.

MOLINA, JOSE SANTIBANEZ

Account Number: 04-0860-04

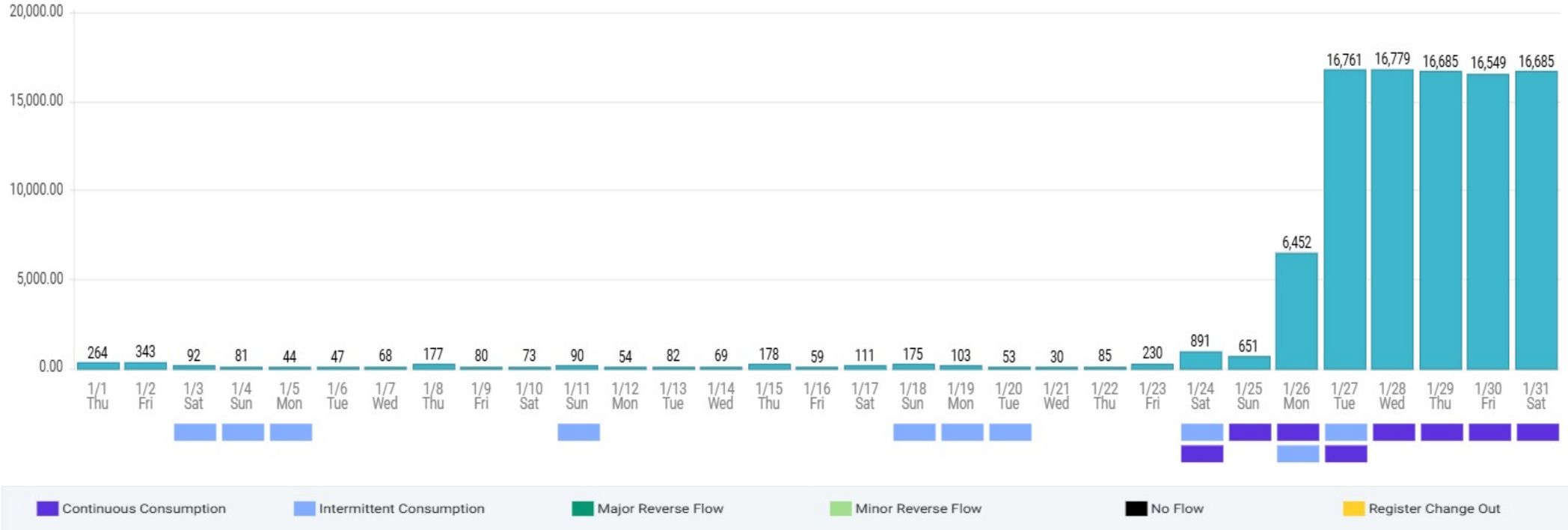
Address: 1109 HOLBROOK

MIU ID: 1579133508

Meter Number: 16872475

Unit of Measure: Gallons

Total Consumption: 94,041 Gallons



Date	Consumption	Reading
1/31/2026 Sat	16,685.400	01554953
1/30/2026 Fri	16,549.000	01388099
1/29/2026 Thu	16,684.600	01222609
1/28/2026 Wed	16,779.300	01055763
1/27/2026 Tue	16,761.100	00887970
1/26/2026 Mon	6,452.200	00720359
1/25/2026 Sun	650.600	00655837
1/24/2026 Sat	890.800	00649331
1/23/2026 Fri	230.300	00640423
1/22/2026 Thu	85.400	00638120
1/21/2026 Wed	29.700	00637266
1/20/2026 Tue	52.500	00636969
1/19/2026 Mon	103.000	00636444
1/18/2026 Sun	175.400	00635414
1/17/2026 Sat	110.700	00633660
1/16/2026 Fri	59.300	00632553
1/15/2026 Thu	178.200	00631960
1/14/2026 Wed	69.100	00630178
1/13/2026 Tue	81.800	00629487
1/12/2026 Mon	53.500	00628669
1/11/2026 Sun	89.800	00628134
1/10/2026 Sat	72.500	00627236
1/9/2026 Fri	80.300	00626511
1/8/2026 Thu	177.000	00625708
1/7/2026 Wed	68.300	00623938
1/6/2026 Tue	46.700	00623255
1/5/2026 Mon	43.800	00622788
1/4/2026 Sun	80.900	00622350
1/3/2026 Sat	92.400	00621541
1/2/2026 Fri	343.300	00620617
1/1/2026 Thu	264.100	00617184

DAILY CONSUMPTION ANALYSIS

December 1, 2025 - December 31, 2025

Item 10.

MOLINA, JOSE SANTIBANEZ

Account Number: 04-0860-04

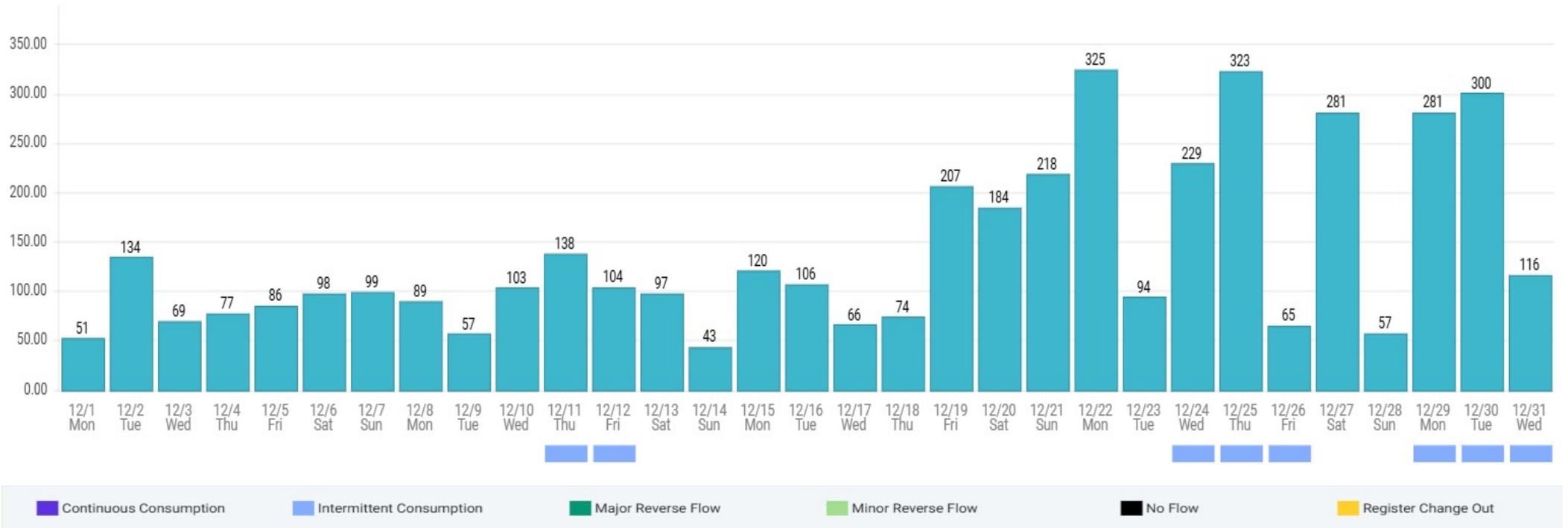
Address: 1109 HOLBROOK

MIU ID: 1579133508

Meter Number: 16872475

Unit of Measure: Gallons

Total Consumption: 4,288.6 Gallons



Date	Consumption	Reading
12/31/2025 Wed	116.100	00614543
12/30/2025 Tue	300.300	00613382
12/29/2025 Mon	280.700	00610379
12/28/2025 Sun	57.000	00607572
12/27/2025 Sat	280.700	00607002
12/26/2025 Fri	64.700	00604195
12/25/2025 Thu	322.800	00603548
12/24/2025 Wed	229.100	00600320
12/23/2025 Tue	93.800	00598029
12/22/2025 Mon	324.600	00597091
12/21/2025 Sun	218.100	00593845
12/20/2025 Sat	184.200	00591664
12/19/2025 Fri	206.800	00589822
12/18/2025 Thu	73.800	00587754
12/17/2025 Wed	65.500	00587016
12/16/2025 Tue	106.300	00586361
12/15/2025 Mon	119.800	00585298
12/14/2025 Sun	43.300	00584100
12/13/2025 Sat	97.000	00583667
12/12/2025 Fri	104.100	00582697
12/11/2025 Thu	137.900	00581656
12/10/2025 Wed	103.300	00580277
12/9/2025 Tue	56.500	00579244
12/8/2025 Mon	89.100	00578679
12/7/2025 Sun	98.900	00577788
12/6/2025 Sat	97.500	00576799
12/5/2025 Fri	85.500	00575824
12/4/2025 Thu	76.900	00574969
12/3/2025 Wed	69.000	00574200
12/2/2025 Tue	133.900	00573510
12/1/2025 Mon	51.400	00572171

ACTIVE

W	201	204	3	44.50	04-0860-04	143.12
S	SEWER			45.50		
G	GARBAGE			31.98		
SW	STORM WATER			3.00	4/15/2026	155.88
SA	SEWER LINES			15.50		
TX	TAX			2.64		
CITY HALL CLOSED 4/03/2026					2/19/2026	3/19/2026
THIS IS YOUR APRIL BILLING						
FOR MARCH USAGE						

1109 HOLBROOK

2/19/2026 1109 HOLBROOK

3/19/2026

JOSE SANTIBANEZ MOLINA
 1109 HOLBROOK
 MT. VERNON TX 75457

143.12 4/15/2026

155.88

ACTIVE

04-0860-04



ACTIVE

Item 10.

W	63	201	138	757.50	04-0860-04	1,601.12
S	SEWER			790.50		
G	GARBAGE			31.98		
SW	STORM WATER			3.00	3/15/2026	1,759.68
SA	SEWER LINES			15.50		
TX	TAX			2.64		

1/19/2026 2/19/2026

THIS IS YOUR MARCH BILLING
FOR FEBRUARY USAGE

1109 HOLBROOK

1/19/2026 1109 HOLBROOK

2/19/2026

JOSE SANTIBANEZ MOLINA
1109 HOLBROOK
MT. VERNON TX

1,601.12 3/15/2026 1,759.68

75457

ACTIVE

04-0860-04

ACTIVE

	Previous Balance:		0.13-	04-0860-04	151.49
W	59 63	4	48.75		
S	SEWER		49.75		
G	GARBAGE		31.98	2/15/2026	165.11
SW	STORM WATER		3.00		
SA	SEWER LINES		15.50		
TX	TAX		2.64	12/19/2025	1/19/2026

THIS IS YOUR MARCH BILLING
FOR FEBRUARY USAGE

1109 HOLBROOK

12/19/2025 1109 HOLBROOK

1/19/2026

JOSE SANTIBANEZ MOLINA
 1109 HOLBROOK
 MT. VERNON TX 75457



151.49 2/15/2026

165.11

ACTIVE

04-0860-04

ACTIVE

W	56	59	3	44.50	04-0860-04	143.12
S	SEWER			45.50		
G	GARBAGE			31.98		
SW	STORM WATER			3.00	1/15/2026	155.88
SA	SEWER LINES			15.50		
TX	TAX			2.64		

11/19/2025 12/19/2025

THIS IS YOUR MARCH BILLING
FOR FEBRUARY USAGE

1109 HOLBROOK

11/19/2025 1109 HOLBROOK

12/19/2025

JOSE SANTIBANEZ MOLINA
1109 HOLBROOK
MT. VERNON TX 75457

143.12 1/15/2026 155.88

ACTIVE

04-0860-04



ACTIVE

W	50	56	6	57.25	04-0860-04	168.62
S	SEWER			58.25		
G	GARBAGE			31.98		
SW	STORM WATER			3.00	12/15/2025	183.94
SA	SEWER LINES			15.50		
TX	TAX			2.64		

10/19/2025 11/19/2025

THIS IS YOUR MARCH BILLING
FOR FEBRUARY USAGE

1109 HOLBROOK

10/19/2025 1109 HOLBROOK

11/19/2025

JOSE SANTIBANEZ MOLINA
1109 HOLBROOK
MT. VERNON TX
75457

168.62 12/15/2025

183.94

ACTIVE

04-0860-04



ACTIVE

W	46	50	4	48.75	04-0860-04	151.62
S	SEWER			49.75		
G	GARBAGE			31.98		
SW	STORM WATER			3.00	11/15/2025	165.24
SA	SEWER LINES			15.50		
TX	TAX			2.64		

9/19/2025 10/19/2025

THIS IS YOUR MARCH BILLING
FOR FEBRUARY USAGE

1109 HOLBROOK

9/19/2025 1109 HOLBROOK

10/19/2025

JOSE SANTIBANEZ MOLINA
1109 HOLBROOK
MT. VERNON TX 75457



151.62 11/15/2025

165.24

ACTIVE

04-0860-04

ACTIVE

W	38	46	8	65.75	04-0860-04	185.62
S	SEWER			66.75		
G	GARBAGE			31.98		
SW	STORM WATER			3.00	10/15/2025	202.64
SA	SEWER LINES			15.50		
TX	TAX			2.64		
					8/19/2025	9/19/2025

THIS IS YOUR MARCH BILLING
FOR FEBRUARY USAGE

1109 HOLBROOK

8/19/2025 1109 HOLBROOK

9/19/2025
 JOSE SANTIBANEZ MOLINA
 1109 HOLBROOK
 MT. VERNON TX 75457



185.62 10/15/2025 202.64

ACTIVE

04-0860-04

ACTIVE

W	33	38	5	45.75	04-0860-04	146.87
S	SEWER			48.00		
G	GARBAGE			31.98		
SW	STORM WATER			3.00	9/15/2025	160.01
SA	SEWER LINES			15.50		
TX	TAX			2.64		

7/19/2025 8/19/2025

THIS IS YOUR MARCH BILLING
FOR FEBRUARY USAGE

1109 HOLBROOK

7/19/2025 1109 HOLBROOK

8/19/2025

JOSE SANTIBANEZ MOLINA
1109 HOLBROOK
MT. VERNON TX

75457



146.87 9/15/2025

160.01

ACTIVE

04-0860-04



AGENDA ITEM REQUEST

Policy and Guidelines for City Council Agenda

Only the Mayor, Councilperson, City Administrator or City Secretary will be allowed to put items on the agenda

Items to be on the agenda must be in the City Secretary's office no later than 12:00 pm, 10 business days prior to the meeting

Name: Chaileys Cassie Hailey Phone # 9035630842 Email Address: Chaileys2025@gmail.com
Mailing Address: 930 TX Hwy 27 S. MV TX 75457

Agenda Item Request Water Bill Adjustment

due to freeze.

Signature [Handwritten Signature]

Date 3-12-26

DAILY CONSUMPTION ANALYSIS

February 1, 2026 - February 28, 2026

Item 11.

HAILEY, CASSIE

Account Number: 03-1938-00

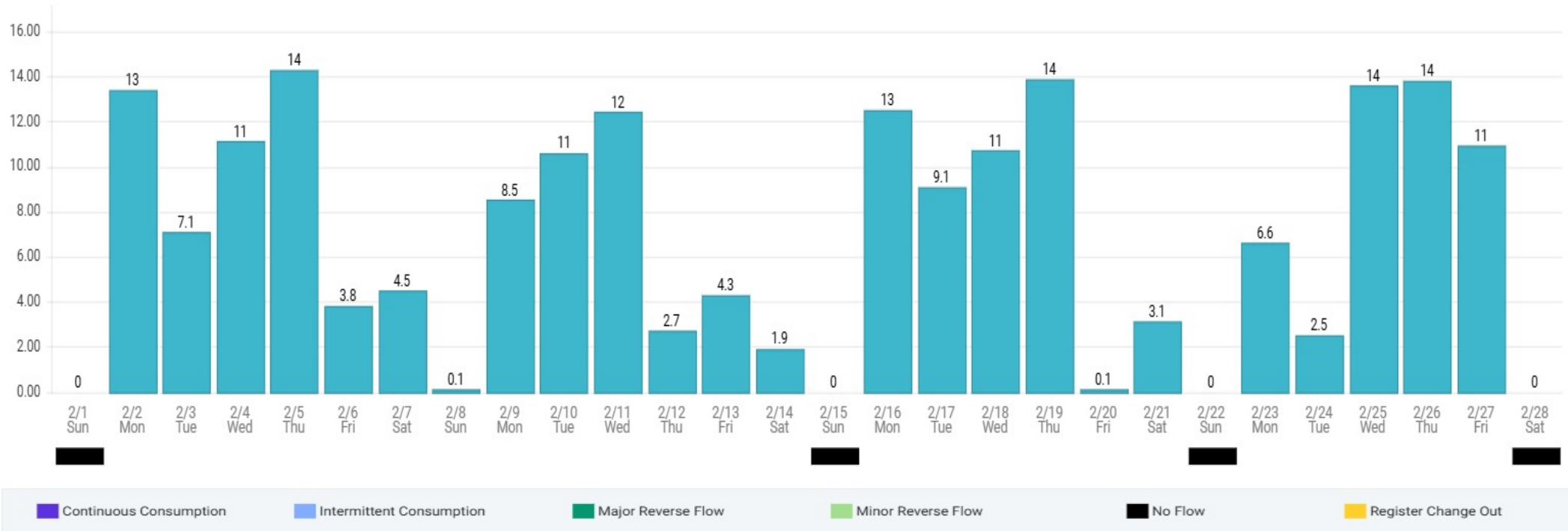
Address: 930 TX HIGHWAY 37 S.

MIU ID: 1579217748

Meter Number: 16873054

Unit of Measure: Gallons

Total Consumption: 191.5 Gallons



Date	Consumption	Reading
2/28/2026 Sat	0.000	00223669
2/27/2026 Fri	10.900	00223669
2/26/2026 Thu	13.800	00223560
2/25/2026 Wed	13.600	00223422
2/24/2026 Tue	2.500	00223286
2/23/2026 Mon	6.600	00223261
2/22/2026 Sun	0.000	00223195
2/21/2026 Sat	3.100	00223195
2/20/2026 Fri	0.100	00223164
2/19/2026 Thu	13.900	00223163
2/18/2026 Wed	10.700	00223024
2/17/2026 Tue	9.100	00222917
2/16/2026 Mon	12.500	00222826
2/15/2026 Sun	0.000	00222701
2/14/2026 Sat	1.900	00222701
2/13/2026 Fri	4.300	00222682
2/12/2026 Thu	2.700	00222639
2/11/2026 Wed	12.400	00222612
2/10/2026 Tue	10.600	00222488
2/9/2026 Mon	8.500	00222382
2/8/2026 Sun	0.100	00222297
2/7/2026 Sat	4.500	00222296
2/6/2026 Fri	3.800	00222251
2/5/2026 Thu	14.300	00222213
2/4/2026 Wed	11.100	00222070
2/3/2026 Tue	7.100	00221959
2/2/2026 Mon	13.400	00221888
2/1/2026 Sun	0.000	00221754

DAILY CONSUMPTION ANALYSIS

January 1, 2026 - January 31, 2026

Item 11.

HAILEY, CASSIE

Account Number: 03-1938-00

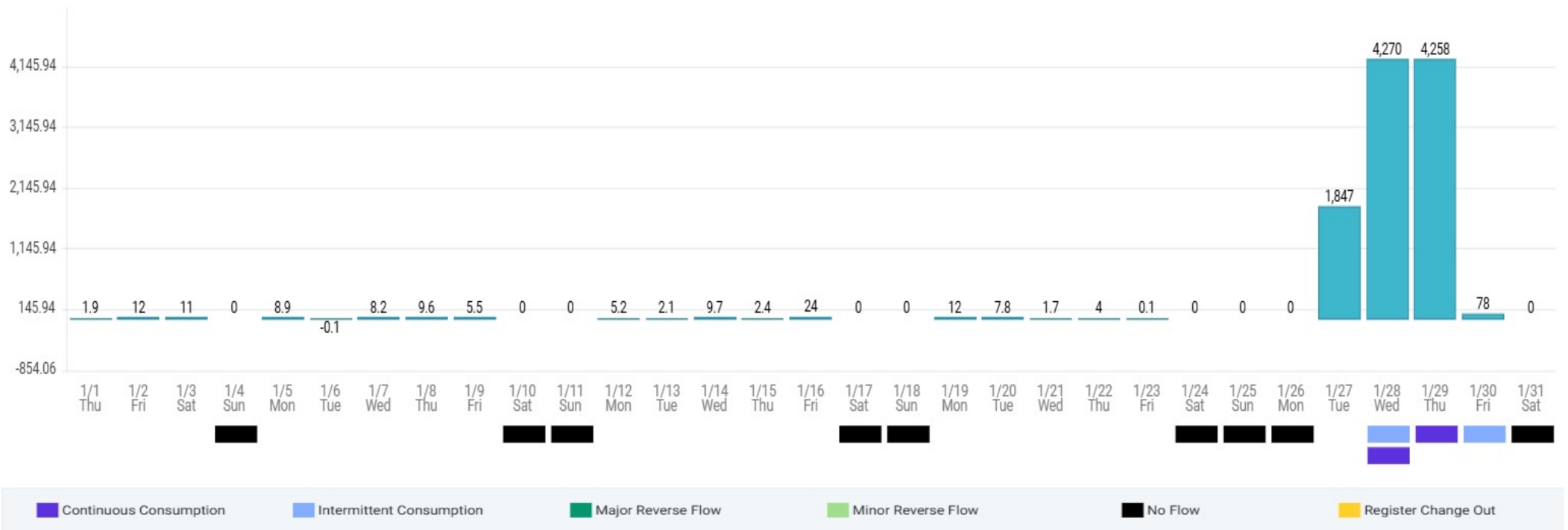
Address: 930 TX HIGHWAY 37 S.

MIU ID: 1579217748

Meter Number: 16873054

Unit of Measure: Gallons

Total Consumption: 10,578.7 Gallons



Date	Consumption	Reading
1/31/2026 Sat	0.000	00221754
1/30/2026 Fri	78.100	00221754
1/29/2026 Thu	4,257.700	00220973
1/28/2026 Wed	4,269.700	00178396
1/27/2026 Tue	1,847.200	00135699
1/26/2026 Mon	0.000	00117227
1/25/2026 Sun	0.000	00117227
1/24/2026 Sat	0.000	00117227
1/23/2026 Fri	0.100	00117227
1/22/2026 Thu	4.000	00117226
1/21/2026 Wed	1.700	00117186
1/20/2026 Tue	7.800	00117169
1/19/2026 Mon	12.100	00117091
1/18/2026 Sun	0.000	00116970
1/17/2026 Sat	0.000	00116970
1/16/2026 Fri	23.700	00116970
1/15/2026 Thu	2.400	00116733
1/14/2026 Wed	9.700	00116709
1/13/2026 Tue	2.100	00116612
1/12/2026 Mon	5.200	00116591
1/11/2026 Sun	0.000	00116539
1/10/2026 Sat	0.000	00116539
1/9/2026 Fri	5.500	00116539
1/8/2026 Thu	9.600	00116484
1/7/2026 Wed	8.200	00116388
1/6/2026 Tue	-0.100	00116306
1/5/2026 Mon	8.900	00116307
1/4/2026 Sun	0.000	00116218
1/3/2026 Sat	11.100	00116218
1/2/2026 Fri	12.100	00116107
1/1/2026 Thu	1.900	00115986

DAILY CONSUMPTION ANALYSIS

December 1, 2025 - December 31, 2025

Item 11.

HAILEY, CASSIE

Account Number: 03-1938-00

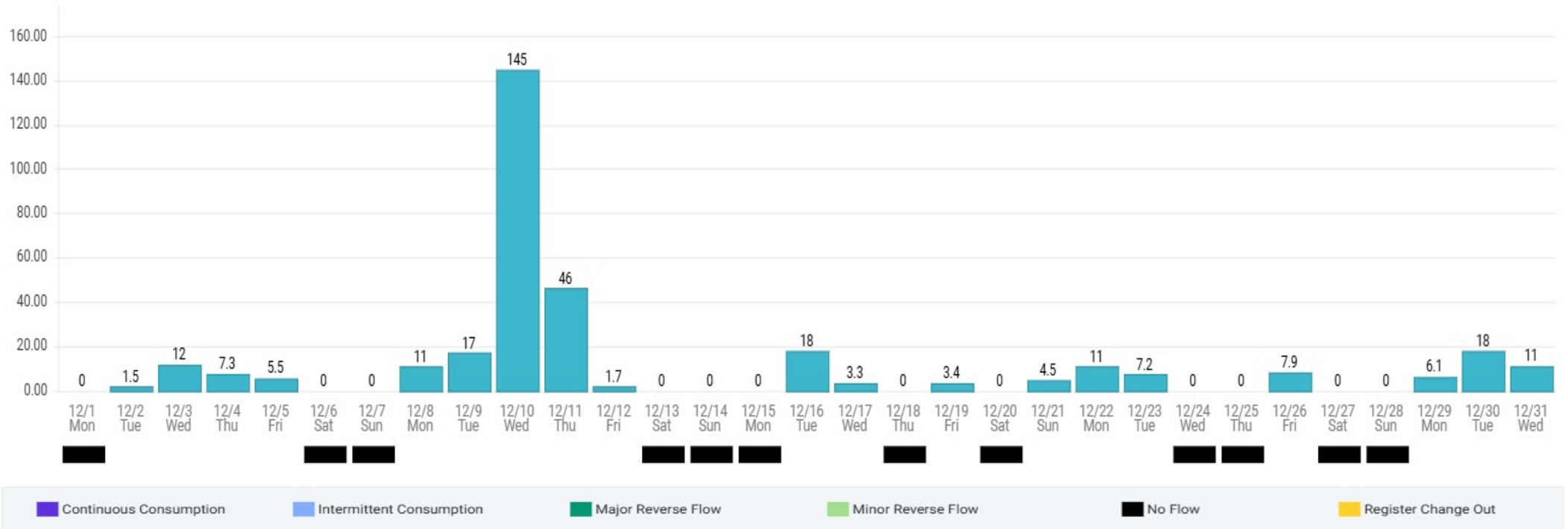
Address: 930 TX HIGHWAY 37 S.

MIU ID: 1579217748

Meter Number: 16873054

Unit of Measure: Gallons

Total Consumption: 335.8 Gallons



Date	Consumption	Reading
12/31/2025 Wed	11.100	00115967
12/30/2025 Tue	18.000	00115856
12/29/2025 Mon	6.100	00115676
12/28/2025 Sun	0.000	00115615
12/27/2025 Sat	0.000	00115615
12/26/2025 Fri	7.900	00115615
12/25/2025 Thu	0.000	00115536
12/24/2025 Wed	0.000	00115536
12/23/2025 Tue	7.200	00115536
12/22/2025 Mon	10.500	00115464
12/21/2025 Sun	4.500	00115359
12/20/2025 Sat	0.000	00115314
12/19/2025 Fri	3.400	00115314
12/18/2025 Thu	0.000	00115280
12/17/2025 Wed	3.300	00115280
12/16/2025 Tue	18.000	00115247
12/15/2025 Mon	0.000	00115067
12/14/2025 Sun	0.000	00115067
12/13/2025 Sat	0.000	00115067
12/12/2025 Fri	1.700	00115067
12/11/2025 Thu	45.900	00115050
12/10/2025 Wed	144.900	00114591
12/9/2025 Tue	16.800	00113142
12/8/2025 Mon	10.500	00112974
12/7/2025 Sun	0.000	00112869
12/6/2025 Sat	0.000	00112869
12/5/2025 Fri	5.500	00112869
12/4/2025 Thu	7.300	00112814
12/3/2025 Wed	11.700	00112741
12/2/2025 Tue	1.500	00112624
12/1/2025 Mon	0.000	00112609

ACTIVE

W	22	22	0	32.00	03-1938-00	121.52
S	SEWER			33.00		
SA	SEWER LINES			15.50		
G	GARBAGE			32.35	4/15/2026	121.52
SW	STORM WATER			6.00		
TX	TAX			2.67		

CITY HALL CLOSED 4/03/2026
 THIS IS YOUR APRIL BILLING
 FOR MARCH USAGE

2/19/2026 3/19/2026

930 TX HIGHWAY 37 S.

2/19/2026 930 TX HIGHWAY 37 S.

3/19/2026



121.52 4/15/2026

121.52

CHAILEY'S
 CASSIE HAILEY
 923 CR 3534
 SALTILLO TX

75478

ACTIVE

03-1938-00

ACTIVE

Previous Balance:	121.52	03-1938-00	290.29
W 11 22 11	79.25		
S SEWER	33.00		
SA SEWER LINES	15.50	3/15/2026	290.29
G GARBAGE	32.35		
SW STORM WATER	6.00		
TX TAX	2.67	1/19/2026	2/19/2026

CITY HALL CLOSED 4/03/2026
THIS IS YOUR APRIL BILLING
FOR MARCH USAGE

930 TX HIGHWAY 37 S.

1/19/2026 930 TX HIGHWAY 37 S.

2/19/2026

CHAILEY'S
CASSIE HAILEY
923 CR 3534
SALTILLO TX

290.29 3/15/2026

290.29

75478

ACTIVE

03-1938-00



ACTIVE

W	11	11	0	32.00	03-1938-00	121.52
S	SEWER			33.00		
SA	SEWER LINES			15.50		
G	GARBAGE			32.35	2/15/2026	121.52
SW	STORM WATER			6.00		
TX	TAX			2.67		

CITY HALL CLOSED 4/03/2026
 THIS IS YOUR APRIL BILLING
 FOR MARCH USAGE

12/19/2025 1/19/2026

930 TX HIGHWAY 37 S.

12/19/2025 930 TX HIGHWAY 37 S.



1/19/2026

121.52 2/15/2026

121.52

CHAILEY'S
 CASSIE HAILEY
 923 CR 3534
 SALTILLO TX

75478

ACTIVE

03-1938-00

ACTIVE

W	11	11	0	32.00	03-1938-00	121.52
S	SEWER			33.00		
SA	SEWER LINES			15.50		
G	GARBAGE			32.35	1/15/2026	121.52
SW	STORM WATER			6.00		
TX	TAX			2.67		

CITY HALL CLOSED 4/03/2026
 THIS IS YOUR APRIL BILLING
 FOR MARCH USAGE

11/19/2025 12/19/2025

930 TX HIGHWAY 37 S.

11/19/2025 930 TX HIGHWAY 37 S.



12/19/2025

121.52 1/15/2026 121.52

CHAILEY'S
 CASSIE HAILEY
 923 CR 3534
 SALTILLO TX

ACTIVE 75478

03-1938-00

ACTIVE

W	11	11	0	32.00	03-1938-00	121.52
S	SEWER			33.00		
SA	SEWER LINES			15.50		
G	GARBAGE			32.35	12/15/2025	121.52
SW	STORM WATER			6.00		
TX	TAX			2.67		

CITY HALL CLOSED 4/03/2026
 THIS IS YOUR APRIL BILLING
 FOR MARCH USAGE

10/19/2025 11/19/2025

930 TX HIGHWAY 37 S.

10/19/2025 930 TX HIGHWAY 37 S.

11/19/2025

CHAILEY'S
 CASSIE HAILEY
 923 CR 3534
 SALTILLO TX

121.52 12/15/2025 121.52

75478

ACTIVE

03-1938-00



ACTIVE

W	10	11	1	36.00	03-1938-00	125.52
S	SEWER			33.00		
SA	SEWER LINES			15.50		
G	GARBAGE			32.35	11/15/2025	125.52
SW	STORM WATER			6.00		
TX	TAX			2.67		
CITY HALL CLOSED 4/03/2026					9/19/2025	10/19/2025
THIS IS YOUR APRIL BILLING						
FOR MARCH USAGE						

930 TX HIGHWAY 37 S.

9/19/2025 930 TX HIGHWAY 37 S.



10/19/2025

125.52 11/15/2025 125.52

CHAILEY'S
CASSIE HAILEY
923 CR 3534
SALTILLO TX

ACTIVE 75478

03-1938-00

RESOLUTION No. 26-09

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, TEXAS, DESIGNATING AUTHORIZED SIGNATORIES ON BANK ACCOUNTS IN THE NAME OF THE CITY OF MOUNT VERNON

WHEREAS, the Alliance Bank of Mount Vernon is the depository bank for the City of Mount Vernon; and

WHEREAS, the City Council desires to approve persons authorized to sign for transactions on accounts in the name of the City of Mount Vernon.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, TEXAS:

SECTION 1. That the financial instruments of this City, drawn on Alliance Bank; for transfer or withdrawal of funds of the City on deposit in said bank, in whatever form, shall be signed by two (2) of the following persons:

<u>Name</u>	<u>Title</u>
Brad Hyman	Mayor
Mary Keys	Council Member
Craig Lindholm	City Administrator
Andrew Pudell	Finance Director
Rebecca Elliott	Finance Consultant
Angie Pike	City Secretary

SECTION 2: Any prior ordinance, resolution or other prior action which may be in conflict with this resolution is hereby rescinded.

SECTION 3: This Resolution shall become effective immediately upon its passage.

PASSED AND APPROVED this the 13th day of April, 2026

Approved:
By: _____
Brad Hyman, Mayor

Attest:
By: _____
Angie Pike, City Secretary

RESOLUTION No. 26-10

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, TEXAS, AUTHORIZING ACCESS ON LONE STAR INVESTMENT ACCOUNT IN THE NAME OF THE CITY OF MOUNT VERNON

WHEREAS, the Lone Star Investments Pool is an investment pool for the City of Mount Vernon; and

WHEREAS, the City Council desires to approve persons authorized to account access on accounts in the name of the City of Mount Vernon.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, TEXAS:

SECTION 1. That account for the City, at Lone Star Investments Pool; may be accessed and viewed by the following additional persons:

<u>Name</u>	<u>Title</u>
Craig Lindholm	City Administrator
Andrew Pudell	Finance Director
Rebecca Elliott	Finance Consultant
Angie Pike	City Secretary

SECTION 2: This Resolution shall become effective immediately upon its passage.

PASSED AND APPROVED this the 13th day of April, 2026

Approved:
By: _____
Brad Hyman, Mayor

Attest:
By: _____
Angie Pike, City Secretary