



Agenda
Prosper Town Council Meeting
Prosper Town Hall, Council Chambers
250 W. First Street, Prosper, Texas
Tuesday, March 10, 2026
6:15 PM

Welcome to the Prosper Town Council Meeting.

Citizens may watch the meeting live by using the following link: www.prospertx.gov/livemeetings

Addressing the Town Council:

Those wishing to address the Town Council must complete the Public Comment Request Form located on the Town's website or in the Council Chambers.

If you are attending in person, please submit this form to the Town Secretary or the person recording the minutes for the Board/Commission prior to the meeting. When called upon, please come to the podium, and state your name and address for the record.

If you are watching online, please submit this form to the Town Secretary prior to 4:00 p.m. on the day of the meeting in order for your comments to be read into the record. The Town assumes no responsibility for technical issues beyond our control.

In compliance with the Texas Open Meetings Act, the Town Council/Board/Commission may not deliberate or vote on any matter that does not appear on the agenda. The Council/Board/Commission, however, may provide statements of fact regarding the topic, request the topic be included as part of a future meeting, and/or refer the topic to Town staff for further assistance.

Citizens and other visitors attending Town Council meetings shall observe the same rules of propriety, decorum, and good conduct applicable to members of the Town Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the Town Council or while attending the meeting shall be removed from the room, if so directed by the Mayor or presiding officer, and the person shall be barred from further audience before the Town Council during that session. Disruption of a public meeting could constitute a violation of Section 42.05 of the Texas Penal Code.

Call to Order/ Roll Call.

Invocation, Pledge of Allegiance and Pledge to the Texas Flag.

Announcements of recent and upcoming events.

Presentations.

1. America 250. (DFB)
2. Hometown Hero's. (CR)

CONSENT AGENDA:

Items placed on the Consent Agenda are considered routine in nature and non-controversial. The Consent Agenda can be acted upon in one motion. Items may be removed from the Consent Agenda by the request of Council Members or staff.

- [3.](#) Consider and act upon the minutes of the February 24, 2026, Town Council Work Session meeting. (MLS)
- [4.](#) Consider and act upon the minutes of the February 24, 2026, Town Council Regular meeting. (MLS)
- [5.](#) Consider and act upon a resolution accepting the Independent Audit Report, Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025, and Single Audit Report Related to Grant Activities Under Uniform Guidance, as audited by Weaver and Tidwell LLP, Certified Public Accountants. (CL)
- [6.](#) Consider and act upon authorizing the Mayor to execute an Agreement with Cook Children's Hospital for the Town to enroll in a 340B Program to provide Health Care services to low-income individuals. (TW)
- [7.](#) Consider and act upon an ordinance amending Chapter 1, "General Provisions," of the Code of Ordinances by adding a new Section 1.02.129 relative to a Code of Conduct for Town Councilmembers and amending Section 1.04.003(b) relative to the Code of Conduct for Town Board, Commission and Committee Members. (TW)
- [8.](#) Consider and act upon an ordinance amending Section 8.02.002, "Prohibited," of Chapter 8, "Offenses and Nuisances," by extending nuisance control areas 5,000 feet into the Town's Extraterritorial Jurisdiction, pursuant to state law; and repealing existing Article 8.06, "Noise Control," of Chapter 8, "Offenses and Nuisances," and replacing it with a new Article 8.06, "Noise Control." (TW)
- [9.](#) Consider and act upon authorizing the Town Manager to execute a Service Agreement between the Town of Prosper and Cedarbrook Media for the annual Pride in the Sky event. (KS)
- [10.](#) Consider and act upon approving Resolutions authorizing matching funds for projects submitted under the State and Local Cybersecurity Grant Program. (LJ)
- [11.](#) Consider and act upon approving the purchase of 2,184 Schaeffer 95-gallon solid waste and recycling carts from Republic Services in the amount of \$120,120. (RB)
- [12.](#) Consider and act upon approving the purchase of (2) two 2026 Ford Interceptor Utility AWD patrol vehicles for \$105,546.00 from Silsbee Ford, and all aftermarket emergency equipment and install for the two Ford Interceptor's from DANA Safety Supply, Inc. for \$60,089.50, total request of \$165,635.50 utilizing the Interlocal Purchasing System (TIPS) Contract #240901. (KM)
- [13.](#) Consider and act upon authorizing the Town Manager to execute a five-year lease agreement and all related documents with Dell Financial Services L.L.C. in a total amount not to exceed \$393,880. (LJ)
- [14.](#) Consider and act upon authorizing the Town Manager to execute a Professional Services Agreement between Freese & Nichols, Inc., and the Town of Prosper, Texas, related to an update of the Risk and Resilience Assessment and the Emergency Response Plan for \$57,000. (CJ)
- [15.](#) Consider and act upon rejecting all proposals received in response to CSP No. 2026-05-B for the Custer Road 6MG Ground Storage Tank. (LH)

- [16.](#) Consider and act upon authorizing the Town Manager to execute an Interlocal Agreement between the City of Frisco, Texas, and the Town of Prosper, Texas, related to the placement of a TRAINFO sensor and related equipment in Prosper. (HW)
- [17.](#) Consider and act upon whether to direct staff to submit a written notice of appeals on behalf of the Town Council to the Development Services Department, pursuant to Chapter 4, Section 1.5(C)(7) and 1.6(B)(7) of the Town's Zoning Ordinance, regarding action taken by the Planning and Zoning Commission on Preliminary Site Plans and Site Plans. (DH)

CITIZEN COMMENTS

The public is invited to address the Council on any topic. However, the Council is unable to discuss or take action on any topic not listed on this agenda. Please complete a "Public Comment Request Form" and present it to the Town Secretary prior to the meeting. Please limit your comments to three minutes. If multiple individuals wish to speak on a topic, they may yield their three minutes to one individual appointed to speak on their behalf. All individuals yielding their time must be present at the meeting, and the appointed individual will be limited to a total of 15 minutes.

REGULAR AGENDA:

Pursuant to Section 551.007 of the Texas Government Code, individuals wishing to address the Council for items listed as public hearings will be recognized when the public hearing is opened. [If you wish to address the Council, please fill out a "Public Comment Request Form" and present it to the Town Secretary, preferably before the meeting begins.]

Items for Individual Consideration:

- [18.](#) Conduct a Public Hearing and consider and act upon a request for a Specific Use Permit for an Accessory Building/Guest House on Whispering Farms, Phase 2, Block G, Lot 9, on 5.1± acres, located on the south side of Whispering Way and 530± feet west of Parkview Lane. (ZONE-26-0001) (DH)
- [19.](#) Consider and act upon adopting the revised Strategic Visioning Priorities of the Prosper Town Council. (MC)
20. Receive an update regarding the Fire Department's 48/96 schedule. (SB)
21. Discuss and consider Town Council Subcommittee reports. (DFB)

Possibly direct Town staff to schedule topic(s) for discussion at a future meeting.

EXECUTIVE SESSION:

Recess into Closed Session in compliance with Section 551.001 et seq. Texas Government Code, as authorized by the Texas Open Meetings Act, to deliberate regarding:

Section 551.087 – To discuss and consider economic development incentives and all matters incident and related thereto.

Section 551.072 – To discuss and consider the purchase, exchange, lease, or value of real property for municipal purposes and all matters incident and related thereto.

Section 551.074 – To discuss and consider personnel matters and all matters incident and related thereto.

Section 551.074 - To discuss and consider personnel matters including the annual evaluation of the Town Manager, and all matters incident and related thereto.

Section 551.071 - Consultation with the Town Attorney regarding legal issues related to Chapter 791 of the Texas Local Government Code.

Section 551.071 - Consultation with the Town Attorney regarding pending or anticipated litigation.

Section 551.071 - Consultation with the Town Attorney to discuss legal issues associated with any Work Session or Council Meeting agenda item.

Reconvene in Regular Session and take any action necessary as a result of the Closed Session.

Adjourn.

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted at Prosper Town Hall, located at 250 W. First Street, Prosper, Texas 75078, a place convenient and readily accessible to the general public at all times, and said Notice was posted by 5:00 p.m., on Wednesday, March 4, 2026, and remained so posted at least three (3) business days before said meeting was convened.

Michelle Lewis Sirianni, Town Secretary

Date Notice Removed

Pursuant to Section 551.071 of the Texas Government Code, the Town Council reserves the right to consult in closed session with its attorney and to receive legal advice regarding any item listed on this agenda.

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS: The Prosper Town Council meetings are wheelchair accessible. For special services or assistance, please contact the Town Secretary's Office at (972) 569-1073 at least 48 hours prior to the meeting time.



MINUTES

Item 3.

Prosper Town Council Work Session
Prosper Town Hall – Council Chambers
250 W. First Street, Prosper, Texas
Tuesday, February 24, 2026

Town Council Call to Order/Roll Call.

Mayor Bristol called the meeting to order at 5:07 p.m.

Council Members Present:

Mayor David F. Bristol
Mayor Pro-Tem Amy Bartley
Deputy Mayor Pro-Tem Chris Kern
Councilmember Marcus E. Ray
Councilmember Craig Andres
Councilmember Jeff Hodges
Councilmember Cameron Reeves

Staff Members Present:

Mario Canizares, Town Manager
Terry Welch, Town Attorney
Michelle Lewis Sirianni, Town Secretary
Bob Scott, Deputy Town Manager
Chuck Ewings, Assistant Town Manager
Robyn Battle, Executive Director
Hulon Webb, Engineering Director
Tony Luton, Human Resources Director
David Hoover, Development Services Director
Carrie Jones, Public Works Director
Chris Landrum, Finance Director
Colin Asby, Budget Officer and Grants Administrator
Stuart Blasingame, Fire Chief
Todd Rice, Communications Director
Skyler Sparks, Help Desk Technician I
Ken Myers, Interim Police Chief
Tom Davis, Assistant Police Chief

Items for Individual Consideration:

1. Discussion regarding the Town's multi-year financial projections and Budget Adoption Calendar. (CL)

Mr. Canizares introduced the discussion stating that this is a first look in preparing for the upcoming Budget. The first look includes all requests with no items being vetted. Staff will work with the subcommittee's through the budget process with Council having several opportunities to view the material.

Mr. Landrum presented the upcoming key calendar dates, projected General Fund revenues and expenditures, debt service levels, capital dedicated monies, projected property valuations, tax rate, personnel requests, and Utility Fund assumptions.

The Town Council discussed the Town's property valuations, homestead exemption, and maintaining the Capital Dedicated Fund at ten cents.

EXECUTIVE SESSION:

Recess into Closed Session in compliance with Section 551.001 et seq. Texas Government Code, as authorized by the Texas Open Meetings Act, to deliberate regarding:

Section 551.087 – To discuss and consider economic development incentives and all matters incident and related thereto.

Section 551.072 – To discuss and consider the purchase, exchange, lease, or value of real property for municipal purposes and all matters incident and related thereto.

Section 551.074 – To discuss and consider personnel matters and all matters incident and related thereto.

Section 551.074 – To discuss and consider personnel matters including the annual evaluation of the Town Manager, Town Attorney, and the Municipal Judge, and all matters incident and related thereto.

Section 551.071 - Consultation with the Town Attorney regarding pending or anticipated litigation.

Section 551.071 – Consultation with the Town Attorney to discuss legal issues associated with any agenda item.

The Town Council recessed into Executive Session at 5:46 p.m.

Reconvene into Work Session.

The Town Council reconvened into Work Session at 6:19 p.m.

Adjourn.

The meeting was adjourned at 6:19 p.m.

These minutes were approved on the 10th day of March 2026.

APPROVED:

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary



MINUTES

Item 4.

Prosper Town Council Meeting
Prosper Town Hall, Council Chambers
250 W. First Street, Prosper, Texas
Tuesday, February 24, 2026
6:15 PM

Call to Order/ Roll Call.

The meeting was called to order at 6:19 p.m.

Council Members Present:

Mayor David F. Bristol
Mayor Pro-Tem Amy Bartley
Deputy Mayor Pro-Tem Chris Kern
Councilmember Marcus E. Ray
Councilmember Craig Andres
Councilmember Jeff Hodges
Councilmember Cameron Reeves

Staff Members Present:

Mario Canizares, Town Manager
Terry Welch, Town Attorney
Michelle Lewis Sirianni, Town Secretary
Bob Scott, Deputy Town Manager
Chuck Ewings, Assistant Town Manager
Robyn Battle, Executive Director
Tony Luton, Human Resources Director
Hulon Webb, Director of Engineering
Chris Landrum, Finance Director
Norma Perez, Utility Billing Administrator
Marsa Wages, Utility Customer Service Supervisor
Roxanne Garcia, Utility Clerk
Debby Wildes, Utility Clerk
David Hoover, Development Services Director
Suzanne Porter, Planning Manager
Carrie Jones, Public Works Director
Stuart Blasingame, Fire Chief
Todd Rice, Communications Director
Skyler Sparks, Help Desk Technician I
Ken Myers, Interim Police Chief
Scott Brewer, Assistant Police Chief
Tom Davis, Assistant Police Chief

Invocation, Pledge of Allegiance and Pledge to the Texas Flag.

Melvin Pugh with Prestonwood Baptist Church led the invocation. Cub Scout Pack 289 led the Pledge of Allegiance and the Pledge to the Texas Flag.

Announcements of recent and upcoming events.

Councilmember Reeves made the following announcements:

Registration is now open for the fourth annual P-Town Throwdown Pickleball Tournament being held on Saturday, March 28 at Raymond Community Park. The format is Mixed-Doubles for participants 18 years and older, with Recreational and Competitive Divisions based on player ratings. Learn more about the tournament at prospertx.gov/ptownthrowdown.

Registration is open for the spring season of the 2026 Mayor's Fitness Challenge which begins Sunday, March 1 and continues through May 31. Tracking sheets and online registration are available by visiting prospertx.gov/mayorsfitnesschallenge.

Join Mayor Bristol on Wednesday, March 11 from 9 am to 11 am at Fire Station No. 2 for Coffee for Active Adults. Residents may register by visiting the Special Events page through the Parks and Recreation Department.

The Town's annual Spring Cleanup will take place on Saturday, March 28 from 8:00 am to noon at Prosper Town Hall. Residents may dispose of various items. To enter the event, please be prepared to show your utility bill and valid driver's license. For more information, visit prospertx.gov/springcleanup.

1. Introduction of Interim Police Chief. (MC)

Mr. Canizares introduced Ken Myers, Interim Police Chief.

Chief Myers introduced himself and provided a brief background of his service experience.

2. America 250. (DFB/TR)

Mayor Bristol read a historical background on America regarding no taxation without representation. He noted upcoming videos being released every Friday on the Town's YouTube Channel.

Presentations.

2. Presentation of a Proclamation declaring March 2026 as Theatre in our Schools Month. (MLS)

Mayor Bristol read and presented a Proclamation to the Thesbian Group within Prosper ISD.

3. Recognize Norma Perez for her years of service. (RB)

Mayor Bristol read and presented a Proclamation to Norma Perez.

CONSENT AGENDA:

Items placed on the Consent Agenda are considered routine in nature and non-controversial. The Consent Agenda can be acted upon in one motion. Items may be removed from the Consent Agenda by the request of Council Members or staff.

5. Consider and act upon the minutes of the February 10, 2026, Town Council Joint Work Session meeting. (MLS)

6. Consider and act upon the minutes of the February 10, 2026, Town Council Regular meeting. (MLS)
7. Consider acceptance of the January monthly financial report for fiscal year 2026. (CL)
8. Consider and act upon Ordinance 2026-09 canceling the May 2, 2026, General Election. (MLS)
9. Consider and act upon approval of a Project and Finance Plan for Tax Increment Reinvestment Zone No. 3. (CE)
10. Receive the 2025 Annual Racial Profiling Report for the Prosper Police Department as required by state law. (KM)
11. Consider and act upon approving a payment to Oncor for the relocation of power poles as part of the Public Works and Parks Service Center construction project for a total cost of \$78,253.41. (CJ)
12. Consider and act upon the purchase of bunker gear and protective clothing from North American Fire Equip. inc. DBA NAFECO, through BuyBoard Contract #698-23, in the amount of \$108,720.14. (SB)
13. Consider and act upon whether to direct staff to submit a written notice of appeals on behalf of the Town Council to the Development Services Department, pursuant to Chapter 4, Section 1.5(C)(7) and 1.6(B)(7) of the Town's Zoning Ordinance, regarding action taken by the Planning and Zoning Commission on Preliminary Site Plans and Site Plans. (DH)

Councilmember Hodges made a motion to approve consent agenda items 5 through 13. Councilmember Ray seconded the item. Motion carried unanimously.

CITIZEN COMMENTS

No comments were made.

Items for Individual Consideration:

14. Conduct a Public Hearing and consider and act upon a request for a Specific Use Permit for Private Streets on Jeremiah Horn Survey, Abstract 411, Tract 35 and a portion of Tracts 5 and 48, on 21.4± acres, located 530± feet north of University Drive and 2,575± feet east of Lakewood Drive. (ZONE-25-0002) (DH)

Mr. Hoover introduced the item noting the location, surrounding zoning, the points of access for emergency vehicles, and the purpose of the SUP is for the intent to construct a gated subdivision for townhomes. Staff sent out notices with no responses received. The Planning and Zoning Commission unanimously recommended approval. Staff recommends approval.

Councilmember Andres asked for clarification regarding the emergency vehicle access. Mr. Hoover noted the primary would have a code and the secondary access would have a Knox box.

Mayor Bristol opened the public hearing.

No comments were made.

Mayor Bristol closed the public hearing.

Mayor Pro-Tem Bartley made a motion to approve a request for a Specific Use Permit for Private Streets on Jeremiah Horn Survey, Abstract 411, Tract 35 and a portion of Tracts 5 and 48, on 21.4± acres, located 530± feet north of University Drive and 2,575± feet east of Lakewood Drive. Councilmember Kern seconded the motion. Motion carried unanimously.

15. Conduct a Public Hearing and consider and act upon a request to rezone 61.7± acres from Agricultural and Planned Development-71 to a Planned Development allowing for Mixed-Use Development, located on the south side of First Street and 1,550± feet east of Legacy Drive. (ZONE-24-0025) (DH)

Mr. Hoover introduced the item stating the applicant has made several changes based on recommendations received by the Council.

Ms. Alexa Knight with Daake Law, presented an overview of the project location. She noted the revisions and key changes including the phasing plan and reviewed the economic data collected and the impacts based on the plan.

Mr. Brian Moore with GFF Design, spoke to the design elements of the plan including the connectivity, central and flexible green space, and water feature.

The Town Council discussed the multi-family component, adherence to enhanced landscaping standards, and building design standards.

Mayor Bristol opened the public hearing.

No comments were made.

Mayor Bristol closed the public hearing.

The Town Council discussed their concerns on the multi-family and overall layout based on the location of the project.

Councilmember Ray made a motion to table a request to rezone 61.7± acres from Agricultural and Planned Development-71 to a Planned Development allowing for Mixed-Use Development, located on the south side of First Street and 1,550± feet east of Legacy Drive to May 19, 2026. Mayor Pro-Tem Bartley seconded the motion. Motion carried unanimously.

16. Consider the adoption of the Dallas North Tollway District Development Standards, which cover Special Sub-Districts, Setbacks and Building Heights, Land Use Consideration, Business Establishments Pursuant to the Town's Vision, Site Design and Building Placement, Parking Design Standards, Adjacent Neighborhood Protection, Building Design, Landscaping Standards, Pedestrian Connectivity and Amenities, Parks and Open Spaces, Signage Requirements, Gateway Features, and Economic Development Incentives. (DH)

Mr. Hoover introduced Paris Rutherford, consultant.

Mr. Rutherford presented and reviewed the background of how the development standards were crafted, and noted requested changes incorporated from the Planning and Zoning Commission. The standards provide specific direction on land use and design approaches that include seven sub-districts. These sub-districts have been arranged to collectively form the Town's desired vision. The standards encourage amenities and are intended to provide improvements and enhancements to existing entitlements with the districts.

The Town Council discussed the proposed standards and desired tools for the community to be able to use to easily access information as it pertains to specific parcels and properties. Councilmember Ray requested to remove language with section 4.3.2.

Councilmember Ray made a motion to approve adopting the Dallas North Tollway District Design Standard with the exception of reference to quad and tri-plexes within section 4.3.2. Councilmember Reeves seconded the motion. Motion carried unanimously.

17. Discuss and consider Town Council Subcommittee reports. (DFB)

Finance Subcommittee: Councilmember Ray noted the committee review the materials that were in the work session.

Possibly direct Town staff to schedule topic(s) for discussion at a future meeting.

Councilmember Andres requested staff to push the new Development Standards out to the community.

Councilmember Ray requested an update on the trash sweeper/cleaner and bandit signs.

Deputy Mayor Pro-Tem Kern requested an update regarding Planned Developments that have seen any changes.

Mayor Bristol requested for staff to communicate to the public, developers, and media contacts the adoption of the DNT Development Standards.

EXECUTIVE SESSION:

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Section 551.074 – To discuss and consider personnel matters including the annual evaluation of the Town Manager, Town Attorney, and the Municipal Judge, and all matters incident and related thereto.

Section 551.071 - Consultation with the Town Attorney regarding pending or anticipated litigation.

Section 551.071 - Consultation with the Town Attorney to discuss legal issues associated with any Work Session or Council Meeting agenda item.

The Town Council recessed into Executive Session at 8:22 p.m.

Reconvene in Regular Session and take any action necessary as a result of the Closed Session.

The Town Council reconvened into Regular Session at 10:25 p.m.

No action was taken.

Adjourn.

The meeting was adjourned at 10:25 p.m.

These minutes were approved on the 10th day of March 2026.

APPROVED:

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary



FINANCE

To: Mayor and Town Council
From: Bob Scott, Deputy Town Manager
Through: Mario Canizares, Town Manager
Re: Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon a resolution accepting the Independent Audit Report, Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025, and Single Audit Report Related to Grant Activities Under Uniform Guidance, as audited by Weaver and Tidwell LLP, Certified Public Accountants.

Description of Agenda Item:

Section 7.18 of the Town's Charter, as well as Chapter 103 of the Texas Local Government Code, requires that an independent audit be conducted annually. The Annual Comprehensive Financial Reports (ACFR) contains information in addition to the Basic Financial Statements that is helpful to understand the Town's finances. It is also a key continuing disclosure document identified in the Town's debt covenants and must be filed electronically with the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access (EMMA) website within six months of year-end. Staff plans to submit an electronic Annual Comprehensive Financial Report to the Government Finance Officers Association in consideration for the Certificate of Achievement for Excellence in Financial Reporting.

In compliance with Generally Accepted Auditing Standards (GAAS), the auditors must make certain required communications to those in charge of governance. These communications have been made to the Finance Sub-Committee of Council on March 4, 2026, with copies distributed to full council. There were no material weaknesses or significant deficiencies regarding the Town's system of Internal Control discovered during the audit.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, LLP, reviewed the resolution as to form and legality.

Attached Documents:

1. Annual Comprehensive Financial Report
2. Single Audit Report
3. Resolution

Town Staff Recommendation:

Town staff recommend the Town Council approve a resolution accepting the Independent Audit Report, Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025, and Single Audit Report Related to Grant Activities Under Uniform Guidance.

Proposed Motion:

I move to approve a resolution accepting the Independent Audit Report, Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025, and Single Audit Report Related to Grant Activities Under Uniform Guidance.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2025
Prosper, Texas



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INTRODUCTORY SECTION

March 02, 2026

To the Honorable Mayor, Members of Town Council, and
Citizens of the Town of Prosper, Texas

The Town's management staff is pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the Town of Prosper ("Town") for the fiscal year ending September 30, 2025. This report provides the Town Council, Town Staff, our citizens, bondholders and other interested parties with detailed information concerning the financial condition and activities of the Town government.

The Town's management assumes responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operation of the Town as measured by the financial activity of its various funds. To enable the reader to gain an understanding of the Town's finances, we believe that all necessary disclosures have been included.

The Town is required to obtain an annual audit of the financial records and financial activities of the Town. Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants, have audited the Town's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2025, are free of any material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified ("clean") opinion that the Town's financial statements for the fiscal year ended September 30, 2025, and are fairly presented in conformity with Generally Accepted Accounting Principles ("GAAP"). The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

History of Prosper

Prosper began with the first settlers arriving in the area in 1846. Those who settled here were drawn to North Texas' fertile black prairie soil perfect for thriving cotton crops in a time when cotton was "King". Between 1850 and 1902, two settlements coexisted. One community, two miles south of the present town, was Rock Hill. The second community, one mile north, was Richland. Both these communities became Prosper when the Town was incorporated in 1914 with a Commission form of government and a population of 500. The opening of DFW airport in 1974, combined with the strong Texas economy, favorable business environment and central location nationally, spurred significant in-migration including Fortune 500 and other corporate headquarters. Suburban cities north of Dallas began growing rapidly. With both the inner-ring and second ring northern suburbs at or near build-out growth in Prosper is accelerating.

Prosper has retained its small town appeal by carefully managing growth in accordance with a Comprehensive Land Use Plan, a Parks and Open Space Plan and a Capital Improvements Plan. Unlike the large suburban cities of Plano and Frisco to the south and McKinney, to the east, Prosper's large existing lot size and only 27 landlocked square miles puts its build-out population at approximately 75,000. While residential growth remains strong, the Town is carefully evolving from a bedroom community of 46,000+ residents to a balance between high-end residential and diversified commercial including retail, hotels, restaurants, new car dealerships, office, two children's hospitals and related professional space.

Accounting System and Budgetary Control

Town management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft, or misuse. Management must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

The Town's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues recognized when measurable and available, and expenditures recorded when the services or goods are received and the liabilities are incurred. Accounting records for the Town's utilities and other proprietary activities are maintained on a full accrual basis.

The objective of budgetary controls is to ensure compliance with legal provisions contained in the annual budget approved by the Town Council. The annual budget is developed and controlled at the fund level for all funds. This budgetary level serves as the foundation for the Town's financial planning and control. The Town Manager may transfer resources within or between departments. The Town Council approves any amendments or additional funding requests for appropriations over that of the budgeted fund level total. These amendments shall be by ordinance and shall become an attachment to the original budget.

The accompanying ACFR incorporates all funds of the Town and includes all government activities, organizations and functions for which the Town is financially accountable. The criteria used in determining activities to be reported within the Town's basic financial statements are based upon and consistent with those set forth by the Governmental Accounting Standards Board.

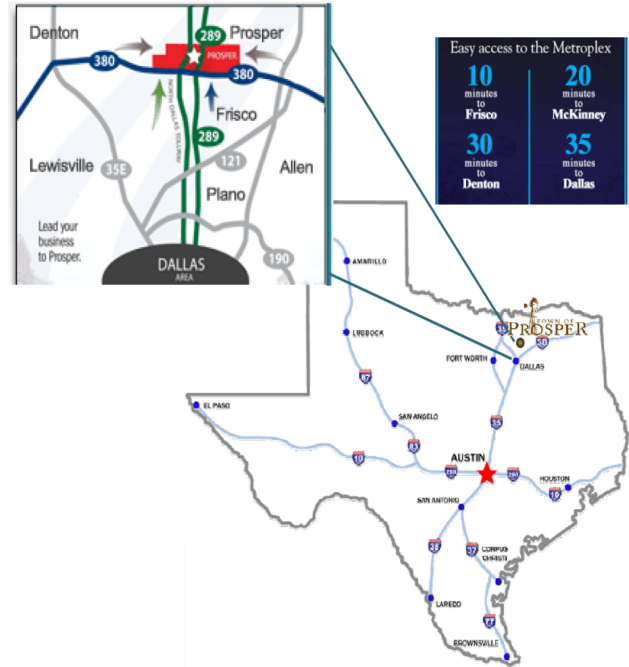
The Reporting Entity Profile

The Town is a political subdivision and a home rule municipality under the laws of the state. The Town operates as a Council-Manager form of government with the Town Council comprised of the Mayor and six Council members. The term of office is three years. The Town Manager is the chief executive officer of the Town.

The Town provides a full range of services including: public safety (police, fire, emergency medical services (EMS), and dispatch), municipal court, streets, water/wastewater, solid waste and storm drainage utilities, parks and recreation, library, engineering, planning and zoning, building inspections and code compliance, economic development and general administrative services.

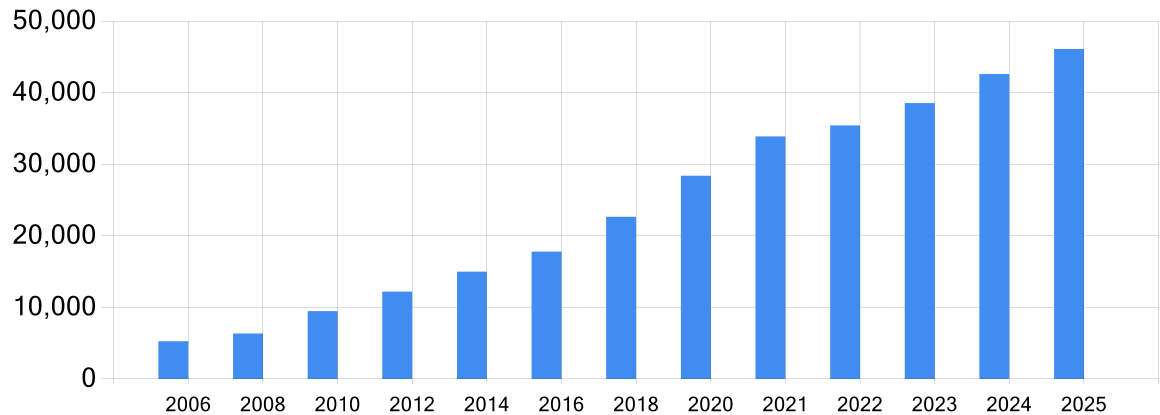
The Prosper Economic Development Corporation (PEDC) is Town-chartered and governed by a seven-member Board of Directors appointed by the Town Council. The Town has included the financial statements for the PEDC in its government-wide financial statements as a discreetly presented component unit. Component units are legally separate organizations that meet the criteria for inclusion in the financial statements of the primary government.

The Town is located 31 miles north of downtown Dallas on the Dallas North Tollway and is approximately 27 square miles. Prosper includes areas in Collin and Denton counties. The Town is bisected north to south by Preston Road and the future DNT which has begun with scheduled completion in 2027. US Highway 380 comprises its southern border and is just five minutes north of the bustling Dallas North Tollway cities of Frisco and Plano.



The Town is home to schools receiving top marks in recent grades from TEA and state championship sports teams, over 400 acres of open space and parks and other amenities. Access to the DFW area, coupled with a commitment to maintain a high quality of life has created rapid growth for the Prosper community. The 2014 estimated population for the Town was 14,986 with a 2025 estimate of 46,087 representing ten-year growth of 208%.

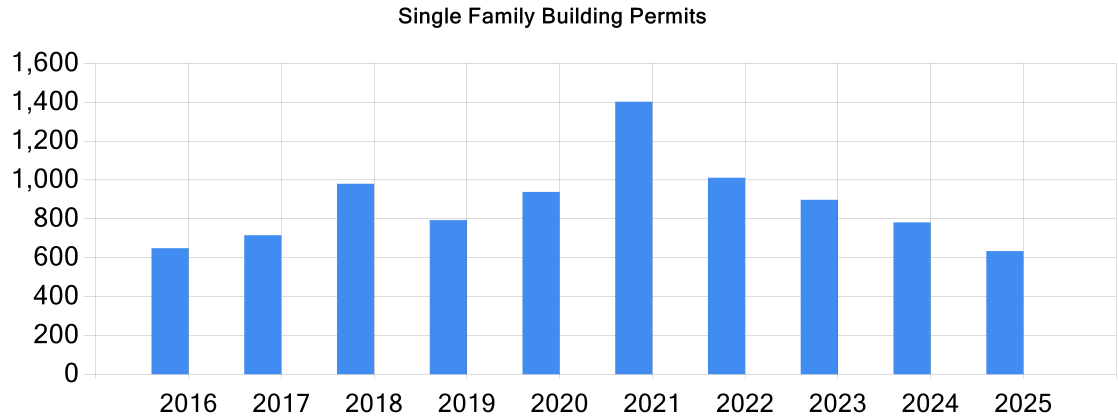
Population



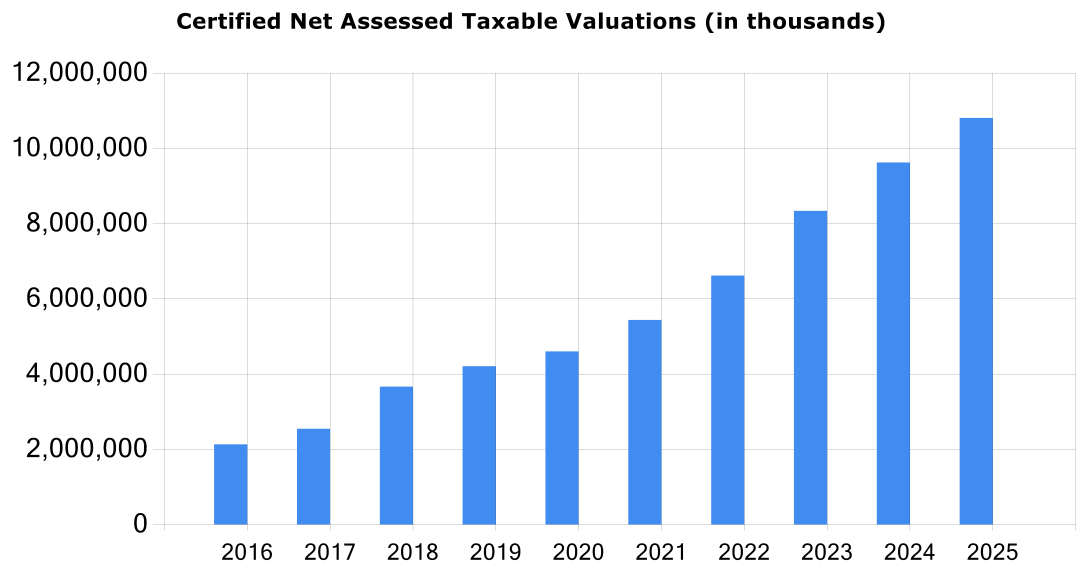
Source: North Central Texas Council of Government and U.S. Census Bureau

The Economic Outlook

The Town continues to experience new home permits at a strong pace and benefits tremendously from its location. Average homestead value in tax year 2025 averaged \$916,840 market and \$696,676 taxable value. The difference between market and taxable values is a 17.5% homestead exemption and temporarily capped values and Over 65 capped values. With the recent run-up in homestead values in excess of 10%, excess value is considered capped meaning that it will be allowed to increase future year values by 10% per year until all capped values are used.



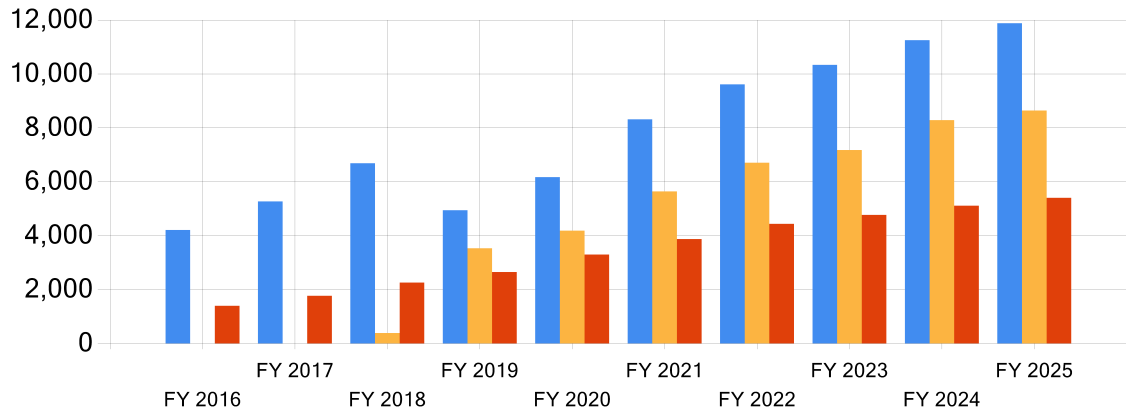
According to the Dallas Federal Reserve Bank’s *2025 Dallas-Fort Worth Economic Indicators*, DFW had a 4.2% unemployment rate, year-over-year wage growth of 3.4% and an annualized job growth for the September quarter of 2.8%. While the region continues to benefit from in migration, the effects of tariffs and economic uncertainty are also becoming evident. The Town continues to monitor economic conditions and forecasts as it prepares for the future



Source: Tax Year amounts from Collin and Denton Central Appraisal Districts

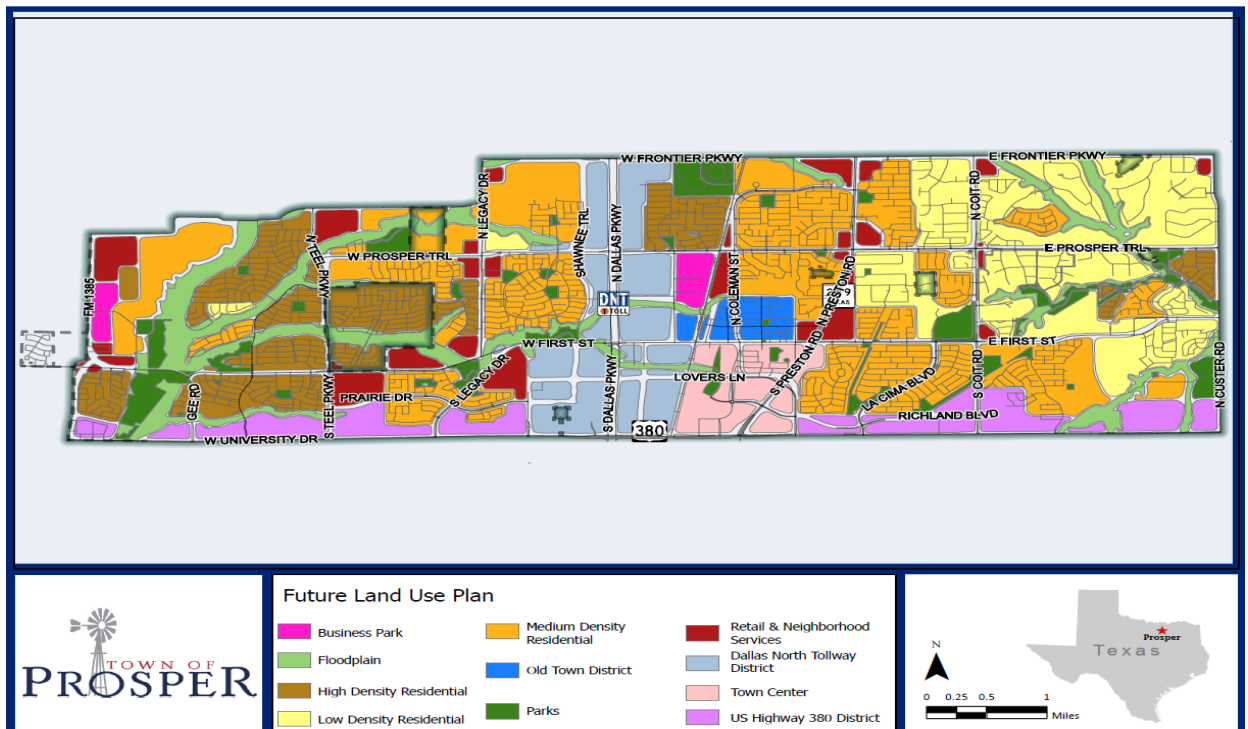
The Town continues to experience significant assessed valuation growth. Certified property valuations increased by \$1,805M (15%) and \$1,184M (12.3%) for the fiscal years 2025 and 2026 budget, respectively.

**Sales Taxes (In Order of Presentation)
General (Blue), Special Purpose Districts (Orange), and EDC Funds (Red)
(in thousands)**



Sales Tax is the Town’s second largest revenue. In addition to the 1% municipal sales tax, Town voters have also approved a half cent 4A tax for economic development and a quarter cent each for Fire and Crime control districts for a total of a 2% local portion, the maximum allowed under state law.

The economy influences the timing of population increases and the types of development that occur will affect the build-out of the Town. The Town Council adopted a new Comprehensive Plan in 2023 and will continue to annually review the Plan in response to changing market conditions.



Long Term Financial Planning

The Town’s rapid growth has created both challenges and opportunities. The greatest challenge has been constructing needed infrastructure in a timely enough manner to avoid both traffic gridlock and inadequate utility capacity for the growth that has already occurred and to promote the desired future

growth as sites to the south reach build-out and the “prime-time” for Prosper commercial development approaches.

Recognizing these challenges, the Town Council has approved updates to most of the Town’s financial policies substantially strengthening capital project management and long-term financial planning. In addition,they adopted a simplified five-point strategic vision with the following goals:

1. PROVIDE EXCELLENT MUNICIPAL SERVICES
2. ACCELERATE INFRASTRUCTURE DELIVERY
3. DEVELOPMENT OF DOWNTOWN PROSPER AS A DESTINATION
4. ENSURE THE TOWN’S COMMERCIAL CORRIDORS ARE READY FOR DEVELOPMENT
5. WORK TOWARD A GROWING AND DIVERSIFIED TAX BASE

Combining a clear vision of the future with strong financial policies and financial resources provided by growth should ensure that the Town maximizes the opportunities the region provides.

Independent Audit

Section 7.18 of the Town Charter requires an independent audit of all accounts of the Town at the close of each fiscal year by certified public accountants selected by the Council. This requirement has been complied with and the “Report of the Independent Auditors” has been included at the beginning of the Financial Section of this report.

Additionally, the Town has a Finance Sub-committee of the Town Council that functions as a audit committee that hears and reviews all recommendations of the independent auditors.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its ACFR for the fiscal year ended September 30, 2024. The Town has received a Certificate of Achievement for the thirteenth consecutive year. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe the current report continues to conform to program requirements and we are submitting it to GFOA for consideration.

Acknowledgments

The preparation of this report would be impossible without the efficient and dedicated services of the Finance Department. We express our appreciation to all employees who contributed to its presentation.

We also thank the Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

Mario Canizares	Robert B. Scott, CPA	Chris Landrum	Marcus Northcutt
Town Manager	Deputy Town Manager/CFO	Finance Director	Accounting Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Prosper
Texas**

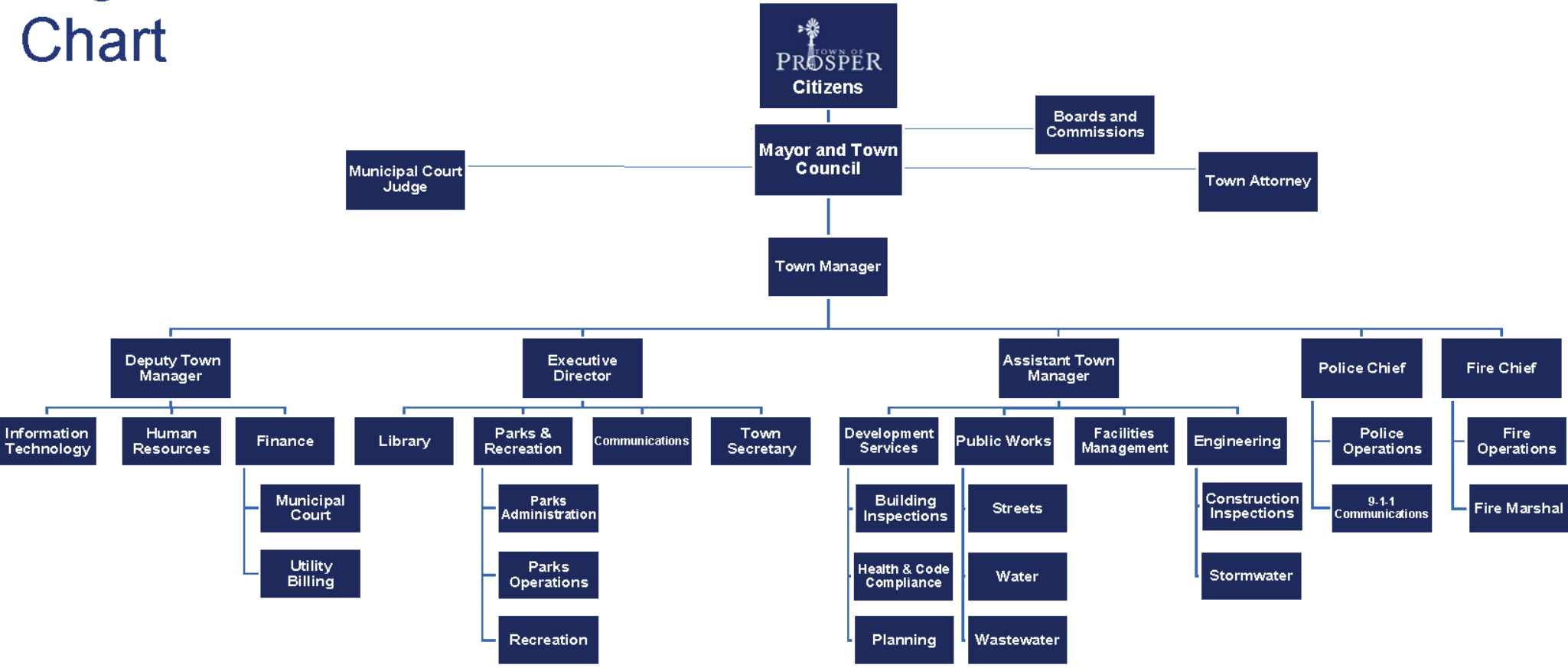
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

Organizational Chart



TOWN OF PROSPER, TEXAS
LIST OF PRINCIPAL OFFICIALS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

TOWN COUNCIL

Mayor _____ David F. Bristol 

Council Member Place 1, _____ Marcus E. Ray 

Council Member Place 2 _____ Craig Andres 

Council Member Place 3, Mayor Pro-Tem _____ Amy Bartley 

Council Member Place 4, Deputy Mayor Pro-Tem _____ Chris Kern 

Council Member Place 5 _____ Jeff Hodges 

Council Member Place 6 _____ Cameron Reeves 

LIST OF PRINCIPAL OFFICIALS

FISCAL YEAR ENDED SEPTEMBER 30, 2025

APPOINTED OFFICIALS

- Town Manager _____ Mario Canizares
- Town Secretary _____ Michelle Lewis Sirianni
- Deputy Town Manager _____ Robert Scott
- Assistant Town Manager _____ Chuck Ewings
- Executive Director _____ Robyn Battle
- Fire Chief _____ Stuart Blasingame
- Police Chief _____ Doug Kowalski
- Director of Communications _____ Todd Rice
- Director of Development Services _____ David Hoover
- Director of Engineering _____ Hulon Webb
- Director of Finance _____ Chris Landrum
- Director of Human Resources _____ Tony Luton
- Director of Information Technology _____ Leigh Johnson
- Director of Library Services _____ Gary Landeck
- Director of Parks and Recreation _____ Dan Baker
- Director of Public Works _____ Carrie Jones



FINANCIAL SECTION



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Independent Auditor's Report

To the Honorable Mayor and Members of the Town Council
Town of Prosper, Texas

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Impact Fee Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town's 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 Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2026 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
March 2, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
Amounts in Thousands Unless Otherwise Stated
(Unaudited)

March 02, 2026

This Management Discussion and Analysis (MD&A) is to assist the Town governing body, citizens, creditors and other interested parties in understanding the Town's financial position and changes in financial position resulting from the Town's operations for the year including the underlying reasons for specific changes. The focus of the MD&A is the Basic Financial Statements (BFS) directly following this discussion. Explanations of trends and changes contained in the BFS are based on the BFS itself, other sections of this Annual Comprehensive Financial Report (ACFR) and management's knowledge of the Town's finance and operating environment.

Questions regarding this report or request of additional information may be made by calling (972) 346-2640 or contact us at Prospertx.gov.

Governmental accounting differs from traditional private sector accounting for several reasons including the diversity of operations that include both primarily tax supported (Governmental) and fee supported (Business Type) activities, legal restrictions placed on the use of specific revenues and a higher emphasis on accountability and the fiduciary responsibilities of government officials. These differences have resulted in the BFS found in this report which include:

GOVERNMENT WIDE FINANCIAL STATEMENTS

These two statements are divided into three distinct columns:

Governmental Activities. Governmental activities comprise the Town's primarily tax-supported operations including public safety, regulatory including zoning, building inspection, code enforcement and Municipal Court and basic quality of life services including parks and library as well as the administrative costs of operating the government. They also include tax-supported capital investments including roads, bridges sidewalks and public parking downtown.

Business-type Activities. These activities are Town services primarily financed with charges to customers including the Town's water and wastewater utility, the solid waste utility and stormwater drainage and management utility with all capital needs of those operations financed through the related fees.

Discretely Presented Component Unit. The Prosper Economic Development Corporation. This is a legally separate entity for which the Town is financially accountable.

FUND FINANCIAL STATEMENTS

The remaining basic financial statements present the City's finances in greater detail. As their name implies, the fund financial statements disaggregate financial activities, assets, liabilities and resulting equity into separate funds to report on the specific purposes for which resources are used or for which they are restricted. The Town reports two groups of funds:

Governmental Fund Financial Statements Governmental Fund statements report all governmental activities except those that involve providing services to City departments. In addition to the Town's main operating fund—the general fund—those financial statements report special revenue funds to track various restricted revenue sources including sales tax restricted for public safety, impact fees, Hotel Tax and grant funds, a debt service fund to record the repayment of outstanding property tax supported bonds, and capital projects funds to account for resources used to acquire transportation infrastructure and certain other long lived assets.

The annual budget of the Town is adopted by ordinance with the Town choosing to report Budget and Actual information for its General Fund and Major Special Revenue Funds as part of the Basic Financial Statements. This option will end next year and it will be moved to the RSI section following the BFS.

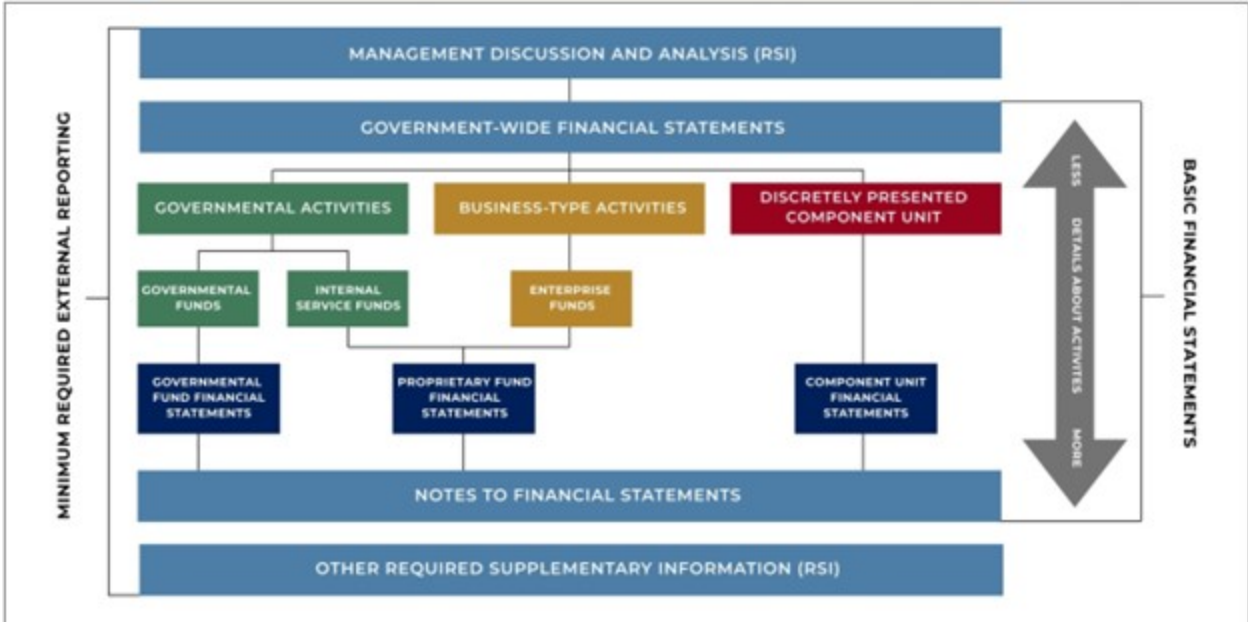
Proprietary Fund Financial Statements. These statements report the business-type activities (enterprise funds) and the services provided to Town departments (internal service funds). For purposes of entity-wide reporting, internal service funds are consolidated into the Governmental Activities column. The Town has three enterprise funds; Water and Sewer, Solid Waste and Stormwater Drainage. Services provided Town departments on a cost reimbursement basis are recorded in Vehicle Equipment and Replacement Fund and the Employee Health Funds. In the Basic Financial Statements, these two funds are aggregated together into one column in the Proprietary Fund statements labeled Governmental Activities-Internal Service Funds.

Major and Non-Major Funds. Due to the large number of potential funds, governmental accounting requires the Town to divide its funds into Major and Non-major categories for display in the Basic Financial Statements using specified criteria. Major funds are displayed in their own column in the financial statements while all non-major funds are aggregated into a single column labeled Non-Major Funds. Outside the Basic financial Statements but still contained in the financial section of this report, combining statements provide information on each non-major fund.

Notes to the Financial Statements. The notes that immediately follow the Basic Financial Statements are an integral part of the Basic Financial Statements as they explain and expand on the information in the financial Statements. They also include information on financial transactions that may not meet the criteria for inclusion in the financial statement themselves have been determined to be financially significant to require disclosure.

Required Supplementary Information (RSI). This section is required by accounting standards to be included with the BFS as the minimum contents for External Financial Reporting. Its contents are unaudited and currently contain two multi-year schedules regarding funding status and contributions made to the Town’s pension plan administered by Texas Municipal Retirement System.

Figure A-1 Contents of the Town’s Basic Financial Statements



Types of Information in the Financial Statements

All of the City’s financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. (See Figure A-2.) In other words, they comprehensively report all types of financial statement elements:

Assets—resources the City controls, from short-term assets like cash to long-term assets like roads and bridges

Liabilities—amounts the City owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions

Deferred outflows and inflows of resources—flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.

Revenues and Expenses/Expenditures—inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. This approach most closely resembles the Town’s legally adopted budget. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on the construction of a Town building.

Figure A-2 Type of Information Reported in the Town Financial Statements

BASIC FINANCIAL STATEMENTS				
	GOVERNMENT WIDE	PROPRIETARY FUND	COMPONENT UNIT	GOVERNMENTAL FUNDS
TYPES OF ASSETS AND LIABILITIES	ALL ASSETS AND LIABILITIES, BOTH FINANCIAL AND NONFINANCIAL (INCLUDING CAPITAL ITEMS), SHORT TERM AND LONG TERM			ONLY CURRENT FINANCIAL RESOURCES, SUCH AS CASH, TAXES RECEIVABLE, AND ACCOUNTS PAYABLE
TYPES OF REVENUES/ADDITIONS	ALL TYPES OF REVENUES/ADDITIONS THAT FLOW INTO THE GOVERNMENT DURING THE YEAR THAT RELATE TO THAT YEAR, REGARDLESS OF WHEN CASH IS RECEIVED			ONLY REVENUES THAT ARE MEASURABLE AND AVAILABLE TO FINANCE EXPENDITURES OF THAT YEAR
TYPES OF EXPENSES/ DEDUCTIONS/ EXPENDITURES	ALL TYPES OF EXPENSES/DEDUCTIONS THAT FLOW OUT OF THE GOVERNMENT DURING THE YEAR THAT RELATE TO THAT YEAR, REGARDLESS OF WHEN CASH IS PAID			ONLY EXPENDITURES FOR WHICH THE RELATED GOVERNMENTAL FUND LIABILITY IS INCURRED IN THAT YEAR
TYPES OF DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES	ALL TYPES OF RESOURCES THAT FLOW INTO AND OUT OF THE GOVERNMENT DURING THE YEAR THAT RELATE TO A FUTURE YEAR			CURRENT FINANCIAL RESOURCES THAT FLOW INTO AND OUT OF THE GOVERNMENTAL FUNDS DURING THE YEAR THAT RELATE TO A FUTURE YEAR

ANALYSIS OF THE TOWN'S FINANCES

Town of Prosper's Net Position Government-Wide

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 44,345	\$ 25,226	\$ 17,032	\$ 19,783	\$ 61,376	\$ 45,009
Restricted assets	88,162	116,555	71,856	72,407	160,018	188,962
Capital assets	576,204	519,435	326,874	257,759	903,078	777,194
Total assets	<u>708,711</u>	<u>661,216</u>	<u>415,762</u>	<u>349,949</u>	<u>1,124,472</u>	<u>1,011,165</u>
Deferred outflows of resources	4,601	5,394	622	724	5,223	6,118
Total outflows of resources	<u>4,601</u>	<u>5,394</u>	<u>622</u>	<u>724</u>	<u>5,223</u>	<u>6,118</u>
Long-term liabilities	232,988	227,095	111,446	79,406	344,434	306,501
Other liabilities	18,931	22,342	5,125	3,153	24,056	25,495
Total liabilities	<u>251,919</u>	<u>249,437</u>	<u>116,571</u>	<u>82,559</u>	<u>368,490</u>	<u>331,996</u>
Deferred inflows of resources	875	121	487	569	1,362	690
Total inflows of resources	<u>875</u>	<u>121</u>	<u>487</u>	<u>569</u>	<u>1,362</u>	<u>690</u>
Net position:						
Net investment in capital assets	411,940	381,498	274,601	236,209	686,541	617,707
Restricted	6,378	7,354	12,347	3,355	18,724	10,709
Unrestricted	42,200	28,200	12,378	27,981	54,578	56,181
Total net position	<u>\$ 460,518</u>	<u>\$ 417,052</u>	<u>\$ 299,326</u>	<u>\$ 267,545</u>	<u>\$ 759,843</u>	<u>\$ 684,597</u>

Net Position may serve over time as a useful indicator of a government's financial health however it should not be viewed as equivalent to private sector net position. In the case of the Town, Net Position grew to \$759,843 as of September 30, 2025, an increase of 11% from the previous year. During this time of rapid population growth, the Town expects Net Position to increase substantially as developers donate infrastructure to the Town for the Town to maintain into perpetuity.

These capital assets, both donated and constructed by the Town, increased by \$125,884 for the year and currently represent eighty percent of the Town's net position include both traditional capital assets common to most entities (e.g., land, buildings, machinery, and equipment) and infrastructure assets, less any related outstanding debt used to acquire those assets. The majority of capital assets are infrastructure assets which include roads, sidewalks, bridges, water, wastewater and stormwater lines as well as water storage, pump stations and lift stations. Infrastructure assets are unique in that they are immovable, not easily sold and represent a significant obligation to maintain or replace in perpetuity. In addition, governmental infrastructure does not typically generate user fees and therefore must be financed and maintained using taxes.

An additional portion of the Town's net position (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (7%) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town reports balances in all categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities.

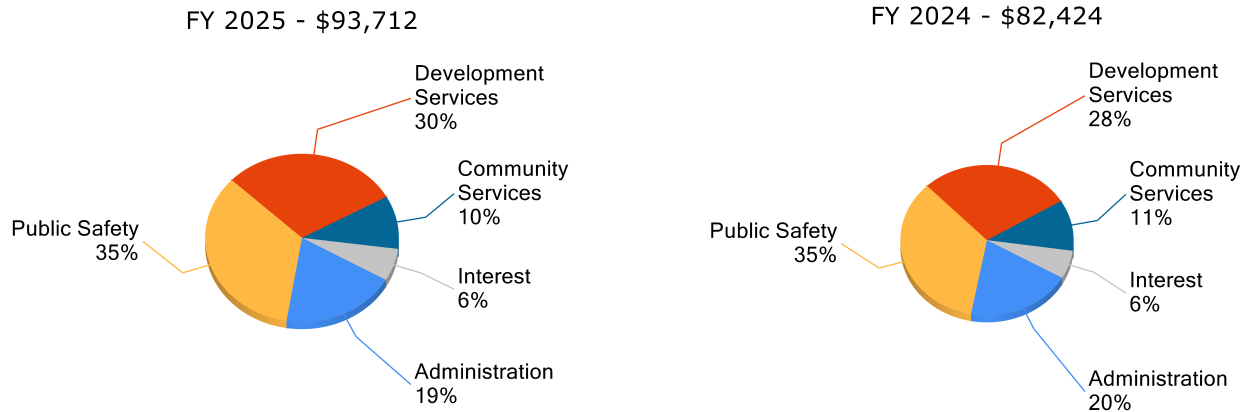
Regarding individual balances reported on the Statement of Net Position, Restricted Assets decreased 15% to \$160,018 as the Town continues its emphasis on accelerating infrastructure construction and spends down bond proceeds. In the Business Type Activities debt increased by 40% to \$111,446 due to debt issuance for Town's portion Doe Branch Wastewater Treatment Plant expansion operated by Upper Trinity Regional Water District.

**Town of Prosper's Changes in Net Position
Government-Wide**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 15,075	\$ 17,723	\$ 41,910	\$ 39,628	\$ 56,984	\$ 57,351
Operating grants & contributions	770	579	-	8,888	770	9,467
Capital grants & contributions	36,191	48,581	35,393	34,319	71,584	82,900
General revenues:						
Property taxes	52,663	45,951	-	-	52,663	45,951
Other taxes	24,244	23,164	-	-	24,244	23,164
Investment income	5,720	7,010	2,630	2,955	8,350	9,965
Other income	564	1,176	384	494	948	1,670
Total revenues	135,227	144,184	80,317	86,284	215,543	230,468
Expenses:						
Administration	18,014	16,179	-	-	18,014	16,179
Police	15,754	13,803	-	-	15,754	13,803
Fire and EMS	16,595	14,943	-	-	16,595	14,943
Development services	7,584	6,175	-	-	7,584	6,175
Public works	17,658	14,539	-	-	17,658	14,539
Community services	9,602	9,035	-	-	9,602	9,035
Engineering	2,666	2,742	-	-	2,666	2,742
Interest on long-term debt	5,839	5,008	-	-	5,839	5,008
Utility	-	-	46,585	43,355	46,585	43,355
Total expenses	93,712	82,424	46,585	43,355	140,297	125,779
Revenues in excess of expenses	41,515	61,760	33,732	42,929	75,246	104,689
Transfers	1,951	1,934	(1,951)	(1,934)	-	-
Change in net position	43,466	63,694	31,781	40,995	75,246	104,689
Net position - beginning of year	417,052	353,358	267,545	226,550	684,597	579,908
Net position - end of year	\$ 460,518	\$ 417,052	\$ 299,326	\$ 267,545	\$ 759,843	\$ 684,597

During this time of rapid growth in the Town, individual years results may fluctuate significantly due to large capital and operating grants, developer contributions or natural fluctuations in development activity. This occurred this year when revenues for fiscal year (FY) 2025 decreased by \$(14,925) , or (6%) in comparison to the prior year. The change is primarily due to decreases in development related charges for services, reduced capital contributions and operating grants offset by increases in sales taxes, property taxes and water and wastewater charges that reflect population growth, changes in property values, continued expansion of the Town's retail sector and rate increases for water, wastewater and solid waste charges.

**Governmental Activities
Expenses by Type
Governmental Activities**



Governmental activities changed the Town's net position by \$43,466. The following factors contributed to this change:

- Property and other taxes changed by \$7,792 (11%) primarily due a substantial increases in assessed valuation split between new construction and appreciation of existing values and sales tax increases. The Town's retail sector continues to expand and benefit from population growth both within the Town and neighboring communities.
- Capital grants and contributions changed by \$(12,390) (-26%) due to a reduction in developer contributions of infrastructure from the previous year while still representing a \$36,191 increase in Net Position. Donations of Right of Way (ROW) are recorded in Governmental Activities only with ROW donations dropping by \$11,500 from FY2024. This number can be volatile as individual contributions can be large and recognition of the contribution is dependent on Engineering's final acceptance of the infrastructure which is also when the Town accepts responsibility for maintaining the assets into perpetuity.
- Total governmental activity expenses changed by \$11,288 (14%) during the year primarily due to staffing increases, increased activity levels and general inflationary pressures reflective of a growing community. The largest functional areas affected by this change were Police (\$1,951), Fire and EMS (\$1,652) Development Services (\$1,409) and Administration (\$1,836) with smaller changes in other departments offset by a change in Public Works (\$3,119) which tends to be more volatile due to special projects and developer payments.

Business-Type Activities

Business-type activities increased the Town's net position by \$31,781. The following factors contributed to this change:

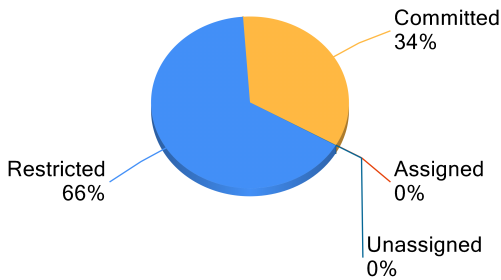
- Charges for services increased by \$2,281 (6%) from the previous year due to increases in water, wastewater and solid water fees. While minimum monthly charges increased by population and commercial growth this was offset by a slight reduction in volume of water purchases due to wet summer weather patterns and conservation.
- Operating expenses increased by \$3,230 (7%) from the previous year primarily due to rate increases from both regional suppliers and the nature of "take or pay" contracts.
- Capital Grants and Contributions were \$35,393, a slight increase of \$1,074 from the previous year, there were no Operating Grants.
- As a Water/Wastewater distribution and collection utility, the Town relies on its regional suppliers for potable water and all wastewater treatment. The Town's policy goal is to breakeven overtime including all depreciation and all ongoing maintenance while maintaining financial policy reserves and exceeding debt coverage ratios. As a result, when fund balances begin to greatly exceed policy requirements, it is the Town's practice not to raise or to raise at a reduced amount rates even if that results in a small projected deficit for the year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

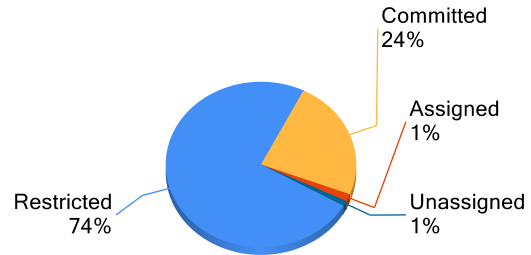
As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund Balance by Type Governmental Funds

FY 2025 - \$108,991



FY 2024 - \$113,440



Governmental funds – The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements as it most closely resembles the annual budget adopted by Town Council. Only the General Fund contains unassigned fund balance which is an indication of resources available to fund future year’s services.

At the end of the current fiscal year, the Town’s governmental funds reported combined ending fund balances of \$108,991, a small decrease of \$(4,449) from the prior year primarily from decreases in General and Impact Fees Fund balance offset by increase in the Capital Projects Fund as a result of transfers out of the former funds into the Capital Projects fund as the Town continues to accelerate capital expenditures. Of the current combined ending fund balance, \$266 is nonspendable due to prepaid items and inventory, \$71,259 is restricted for debt service, capital projects, public safety, parks and other uses, \$10,497 is committed for contingency in accordance with the Town charter, \$26,904 is committed for capital projects, \$0 was assigned for next year’s budget and \$65 is unassigned.

The large committed fund balance for capital funds is primarily due to \$0.00102 (ten cents) of the property tax rate being dedicated to capital purposes. The Capital Dedicated tax levy is a year by year policy decision of the Town Council and is intended to provide a better match between revenue from new construction and when that growth results in substantial new services such as sport complexes or fire stations. It has also served as a funding source for designing infrastructure in advance of debt issuance.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$65. Total unassigned fund balance represents 0% of total General Fund expenditures. The change in fund balance of \$(2,399) is primarily due to capital outlay (patrol cars, trucks, etc.) of \$1,350 needed to equip the new General Fund positions added during the year. It is the practice of the Town to draw down excess fund balance for these new capital items. Future replacement of these items will be funded by the Vehicle Equipment Replacement Fund, an internal service fund. During this time of rapid growth, development related fees are the third largest revenue source in the General Fund but this is expected to gradually decrease over time as the Town approaches build-out.

The Impact Fees Fund has a total fund balance of \$8,293; which is restricted for capital projects. The balances in this fund will change as the payments by developers and home builders will often be received years before the intended projects are bid and awarded or the developer is reimbursed for assets constructed.

The Debt Service Fund has a total fund balance of \$1,336; all of which is restricted for payment of debt service. The small change in fund balance of \$90 represents current state statues requiring any excess collections to reduce the upcoming year’s debt service tax rate.

The Capital Projects Fund has a total fund balance of \$82,578; all of which is restricted or committed for construction. The slight increase in fund balance of \$3,429 is due to timing of capital outlays as the Town adds resources through transfers and debt issuance.

Proprietary funds – The Town’s proprietary funds provide the same type of information and on the same basis of accounting found in the government-wide business type activities column but broken out by individual

fund. As with the Governmental Activities, services provided to citizens is very capital intensive with 95% of total net position of the Water and Sewer Fund's total net position of \$222,074 being related to capital activities. The remaining 5% of unrestricted net position at the end of the year was \$11,721 . The increase in net position of \$19,841 was primarily a result of developer contributions, impact fees revenue and an intergovernmental grant. Operating income was \$1,712. The Town maintains a debt service reserve fund as additional security for its Revenue Bonds.

The Solid Waste Fund is in its second year and had been previously reported within the Water and Sewer Fund. This change provides greater transparency by demonstrating whether solid waste rates are adequate to cover all solid waste related expenses. Effective February 1, 2024, solid waste charges to residential customers included additional administrative fees to cover general and administrative expenses of the fund and to pay for the purchase of Town owned residential trash and recycling carts. The changes have resulted in positive net position for the current year.

The Stormwater Drainage Utility Fund net position changed by \$11,767 to \$77,034 This increase is due to developer contributions offset by an operating loss due to depreciation.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget – Amendments adjusting individual revenue lines were part of the mid-year re-estimate conducted each summer based on year-to-date results resulting in a slight increase in estimated revenue. Budgeted expenditures were also adjusted at mid-year based on year-to-date. It is the Town’s policy to budget for a fund balance “take-down” when fund balances far exceed policy guideline. Fund balance “take downs” cannot involve recurring expenditures, only one-time capital expenditures.

Final budget compared to actual results – After converting actual results on a GAAP basis to budgetary basis, revenues were \$1,263 below Final Budget due to a weakening economy at the end of the year combined with a large negative audit adjustment from the Texas Comptroller to Town sales tax. The Comptroller collects sales tax for all Texas governments and will occasionally make adjustments to sales tax previously submitted. Estimated expenditures were \$996 less than budgeted however higher than anticipated claims in the employee self-insurance health fund required an additional transfer to that fund resulting in a larger fund balance “take down” than originally budgeted.

The first element of the Town Council's strategic vision is the acceleration of infrastructure with the capital dedicated levy representing an important tool for accomplishing this element of the strategic vision.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets – The Town’s investment in capital assets for its governmental and business-type activities as of September 30, 2025 is \$903,078 (net of accumulated depreciation). This investment in capital assets includes land, buildings and infrastructure, equipment and right to use assets.

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

- Capital asset acquisitions in governmental activities totaled \$72,930. The majority of this activity was funded from bond proceeds and developer contributions as well as the capital dedicated tax levy. It is primarily infrastructure (land, streets, parks) with a smaller amount of equipment and buildings.
- Capital asset additions in business-type activities totaled \$77,875 . The majority of this activity was funded from bond proceeds and developer contributions and was for new water and wastewater projects including Town contributions for expansion of the Doe Branch wastewater treatment plant.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Government-wide capital assets:						
Non-depreciable assets	\$ 203,931	\$ 199,185	\$ 47,334	\$ 29,740	\$ 251,265	\$ 228,925
Depreciable assets	479,678	412,156	337,223	276,941	816,901	689,097
Right to use assets	6,716	6,407	-	-	6,716	6,407
Total capital assets	<u>690,325</u>	<u>617,748</u>	<u>384,557</u>	<u>306,681</u>	<u>1,074,882</u>	<u>924,429</u>
Less: accumulated depreciation	<u>(114,121)</u>	<u>(98,313)</u>	<u>(57,683)</u>	<u>(48,922)</u>	<u>(171,804)</u>	<u>(147,235)</u>
Government-wide capital assets, net	<u>\$ 576,204</u>	<u>\$ 519,435</u>	<u>\$ 326,874</u>	<u>\$ 257,759</u>	<u>\$ 903,078</u>	<u>\$ 777,194</u>

Additional information on the Town’s capital assets can be found in VI - Capital Assets of the notes to the financial statements.

Long-term liabilities – At the end of the current fiscal year, the Town had long-term liabilities outstanding of \$342,671. The majority of the Town’s debt is backed by the full faith and credit of the Town.

The Town’s general obligation bond ratings are AA+ as assigned by Standard & Poor’s and AAA as assigned by Fitch Rating Services. The Town began issuing Water and Wastewater Revenue bonds in 2025 for the first time with initial ratings of AA- from Standard & Poor’s and AA from Fitch. General Obligation debt grew moderately by \$7,710 (3.8%) as the Town is targeting a stable debt service tax rate so that any additional capacity comes from increases in Assessed Valuation and debt retirements. For Business Type activities, debt includes both the Certificates of Obligation with a General Obligation pledge and the newly issued Water and Wastewater Revenue bonds. This debt has grown rapidly by \$28,855 (39%) due to need to expand the Doe Branch wastewater treatment plant including related transmission lines to the plant.

Total long-term liabilities consisted of the following:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Government-wide long-term liabilities:						
Certificates of obligation, general obligation, & revenue bonds	\$ 211,660	\$ 203,950	\$ 102,915	\$ 74,060	\$ 314,575	\$ 278,010
Bonds premium on issuance	11,206	12,259	5,738	4,218	16,944	16,477
Compensated absences payable	3,741	3,374	341	299	4,082	3,673
Lease payable	867	709	-	-	867	709
SBITA payable	177	414	-	-	177	414
Net pension liability	5,337	6,389	689	829	6,026	7,218
Total government-wide long-term liabilities	\$ 232,988	\$ 227,095	\$ 109,683	\$ 79,406	\$ 342,671	\$ 306,501

Additional information on the Town’s long-term liabilities can be found in the VIII - Long-term Liabilities in the notes to the financial statements.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

This section describes events that have occurred following year-end but prior to the issuance of the MD&A that could have a significant impact on Net Position or financial related operations.

Next Year’s Budget

The Town continues to grow rapidly, with residential and commercial development occurring at high levels. The resulting increase in property values reflects the commitment of the Council and the efforts of the Prosper Economic Development Corporation (PEDC) to attract quality development. The FY 2026 Adopted Budget addresses the need for increased service levels due to growth while also placing a major emphasis on capital needs. A capital dedicated portion of the Maintenance & Operations levy created in the FY 2023 budget was continued at 10 cents of the total 50.5 cent levy. This capital dedicated allows the Town to quickly address capital needs while also managing the Town’s overall debt levels.

Water and wastewater rates were increased by a blended rate of 8.8% (6.3% water and 16% wastewater). This was the first rate increase in four years and was primarily due to cost increases from the Town's regional water and wastewater treatment providers with wastewater rates increasing proportionally more due to the substantial expansion of the Doe Branch regional wastewater plant.

Highlights of the Fiscal Year 2026 budget:

- A total of 23 new positions including six Police Officers and nine firefighters.
- Property values increased by \$1.2 billion from total taxable of \$9.6 billion to \$10.8 billion a 12.5% increase. This increase included \$759 million of new construction.
- New general capital projects budgeted for the year were \$39.4 million.

- New water and sewer capital projects totaled \$13.2 million.

Debt Defeasance

- On November 20, 2025, the Town redeemed \$550,000 of remaining 2014 series general obligation bonds at par. This redemption is part of the Town's strategy to manage overall debt levels while continuing to accelerate infrastructure.



BASIC FINANCIAL STATEMENTS

TOWN OF PROSPER, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government			Prosper Economic Development Corporation (EDC)
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 30,102,777	\$ 5,689,428	\$ 35,792,205	\$ 17,106,725
Investments	3,411,370	1,746,443	5,157,813	-
Taxes receivable, net	3,809,178	-	3,809,178	944,205
Receivables, net	6,450,991	6,644,728	13,095,719	1,269
Interfund Note Receivable	-	1,762,541	1,762,541	-
Accrued interest	304,866	133,171	438,037	-
Inventory	136,947	1,055,456	1,192,403	-
Prepaid items	129,008	-	129,008	-
Restricted assets:				
Restricted cash and cash equivalents	69,686,655	65,679,180	135,365,835	-
Restricted investments	18,475,574	6,176,876	24,652,450	-
Capital assets not being depreciated/amortized:				
Land	126,853,015	2,601,366	129,454,381	9,696,021
Construction in progress	77,077,746	44,732,656	121,810,402	-
Capital assets net of accumulated depreciation/amortized:				
Buildings and improvements	74,409,507	769,111	75,178,618	-
Equipment	16,203,572	2,043,962	18,247,534	-
Right to use - vehicles and equipment	2,263,489	-	2,263,489	-
Right to use - Subscription-based IT arrangements (SBITA)	329,380	-	329,380	-
Intangible assets	-	12,913,519	12,913,519	-
Infrastructure	279,067,414	263,813,030	542,880,444	-
Total assets	<u>708,711,489</u>	<u>415,761,467</u>	<u>1,124,472,956</u>	<u>27,748,220</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	77,067	37,972	115,039	-
Pension related	4,524,200	584,169	5,108,369	53,624
Total deferred outflows of resources	<u>4,601,267</u>	<u>622,141</u>	<u>5,223,408</u>	<u>53,624</u>

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

TOWN OF PROSPER, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government			Prosper Economic Development Corporation (EDC)
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts payable	6,309,380	3,262,030	9,571,410	1,399
Accrued expenses	2,747,857	241,611	2,989,468	5,633
Retainage payable	2,722,920	1,037,819	3,760,739	-
Accrued interest payable	1,019,359	449,016	1,468,375	-
Interfund Note Payable	-	1,762,541	1,762,541	-
Customer deposits and escrow payable	6,132,786	135,000	6,267,786	-
Noncurrent liabilities:				
Due within one year				
Long-term debt	14,060,878	3,916,628	17,977,506	3,676
Due in more than one year				
Long-term debt	213,589,874	105,076,966	318,666,840	11,028
Net pension liability	5,337,162	689,141	6,026,303	63,259
Total liabilities	<u>251,920,216</u>	<u>116,570,752</u>	<u>368,490,968</u>	<u>84,995</u>
DEFERRED INFLOWS OF RESOURCES				
Lease related	94,344	386,549	480,893	-
Pension related	780,426	100,770	881,196	9,250
Total deferred inflows of resources	<u>874,770</u>	<u>487,319</u>	<u>1,362,089</u>	<u>9,250</u>
NET POSITION				
Net investment in capital assets	411,940,069	274,600,633	686,540,702	9,696,021
Restricted for:				
Debt service	421,417	1,346,800	1,768,217	-
Public safety	475,901	-	475,901	-
Parks	2,379,093	-	2,379,093	-
Impact fees	-	10,999,948	10,999,948	-
TIRZ	2,045,464	-	2,045,464	-
Other	1,056,298	-	1,056,298	-
Unrestricted	<u>42,199,528</u>	<u>12,378,156</u>	<u>54,577,684</u>	<u>18,011,578</u>
Total net position	<u>\$ 460,517,770</u>	<u>\$ 299,325,537</u>	<u>\$ 759,843,307</u>	<u>\$ 27,707,599</u>

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

TOWN OF PROSPER, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Administration	\$ 18,013,412	\$ 1,963,204	\$ 167,197	\$ -
Police	15,754,197	78,448	408,527	-
Fire and EMS	16,595,024	2,035,904	146,824	-
Development services	7,583,881	4,013,627	-	-
Public works	17,658,177	5,210,817	-	31,051,534
Community services	9,602,342	691,026	47,199	5,139,309
Engineering	2,665,846	1,082,411	-	-
Interest	5,839,392	-	-	-
Total governmental activities	<u>93,712,271</u>	<u>15,075,437</u>	<u>769,747</u>	<u>36,190,843</u>
Business-type activities:				
Water and sewer	39,943,048	37,195,786	-	21,534,825
Solid waste	3,563,907	3,727,080	-	-
Storm drainage	3,078,017	987,078	-	13,858,166
Total business-type activities	<u>46,584,972</u>	<u>41,909,944</u>	<u>-</u>	<u>35,392,991</u>
Total primary government	<u>140,297,243</u>	<u>56,985,381</u>	<u>769,747</u>	<u>71,583,834</u>
Component unit:				
Prosper EDC	2,485,523	3,000	-	-
Total component units	<u>\$ 2,485,523</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales and use taxes				
Franchise fees				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

<u>Net (Expense) Revenue and Changes in Net Position</u>			
<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Prosper EDC</u>
\$ (15,883,011)	\$ -	\$ (15,883,011)	\$ -
(15,267,222)	-	(15,267,222)	-
(14,412,296)	-	(14,412,296)	-
(3,570,254)	-	(3,570,254)	-
18,604,174	-	18,604,174	-
(3,724,808)	-	(3,724,808)	-
(1,583,435)	-	(1,583,435)	-
(5,839,392)	-	(5,839,392)	-
<u>(41,676,244)</u>	<u>-</u>	<u>(41,676,244)</u>	<u>-</u>
-	18,787,563	18,787,563	-
-	163,173	163,173	-
-	11,767,227	11,767,227	-
-	30,717,963	30,717,963	-
<u>(41,676,244)</u>	<u>30,717,963</u>	<u>(10,958,281)</u>	<u>-</u>
-	-	-	(2,482,523)
-	-	-	(2,482,523)
52,662,713	-	52,662,713	-
20,521,823	-	20,521,823	5,405,375
3,722,110	-	3,722,110	-
5,720,381	2,629,895	8,350,276	730,615
564,404	383,617	948,021	3,577
1,950,694	(1,950,694)	-	-
<u>85,142,125</u>	<u>1,062,818</u>	<u>86,204,943</u>	<u>6,139,567</u>
<u>43,465,881</u>	<u>31,780,781</u>	<u>75,246,662</u>	<u>3,657,044</u>
<u>417,051,889</u>	<u>267,544,756</u>	<u>684,596,645</u>	<u>24,050,555</u>
<u>460,517,770</u>	<u>299,325,537</u>	<u>759,843,307</u>	<u>27,707,599</u>

TOWN OF PROSPER, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	<u>General Fund</u>	<u>Impact Fees</u>	<u>Debt Service</u>
ASSETS			
Cash and cash equivalents	\$ 7,895,482	\$ 6,661,803	\$ 1,030,731
Investments	2,410,502	2,039,325	315,612
Taxes receivable, net	2,242,683	-	95,702
Accounts receivable, net	1,676,133	-	-
Accrued interest	40,561	25,238	5,305
Due from other funds	-	-	-
Inventory	136,947	-	-
Prepaid items	129,008	-	-
Total assets	<u>14,531,316</u>	<u>8,726,366</u>	<u>1,447,350</u>
LIABILITIES			
Accounts payable	1,003,861	433,856	6,574
Accrued expenses	1,755,353	-	-
Retainage payable	-	-	-
Escrow payable	-	-	-
Due to other funds	31,451	-	-
Total liabilities	<u>2,790,665</u>	<u>433,856</u>	<u>6,574</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related	94,344	-	-
Unavailable revenue:			
Property taxes	196,203	-	105,093
Fines and fees	8,319	-	-
EMS	592,239	-	-
Grants	21,423	-	-
Total deferred inflows of resources	<u>912,528</u>	<u>-</u>	<u>105,093</u>
FUND BALANCE			
Nonspendable for:			
Inventory	136,947	-	-
Prepaid items	129,008	-	-
Restricted for:			
Debt service	-	-	1,335,683
Tax increment reinvestment zone (TIRZ)	-	-	-
Streets	-	8,292,510	-
Public safety	-	-	-
Parks	-	-	-
Other	-	-	-
Committed for:			
Contingency reserve	10,497,082	-	-
Capital projects	-	-	-
Unassigned	65,086	-	-
Total fund balances	<u>10,828,123</u>	<u>8,292,510</u>	<u>1,335,683</u>
Total liabilities, deferred inflows of resources and fund balances	<u>14,531,316</u>	<u>8,726,366</u>	<u>1,447,350</u>

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

Capital Projects	Escrow	Nonmajor Governmental	Total Governmental Funds
\$ 71,869,023	\$ 4,794,240	\$ 4,268,184	\$ 96,519,463
13,363,073	1,464,038	1,303,887	20,896,437
-	-	1,470,793	3,809,178
4,471,240	-	16,209	6,163,582
195,197	-	21,916	288,217
31,451	-	-	31,451
-	-	-	136,947
-	-	-	129,008
<u>89,929,984</u>	<u>6,258,278</u>	<u>7,080,989</u>	<u>127,974,283</u>
4,003,542	125,492	133,655	5,706,980
-	-	990,578	2,745,931
2,722,920	-	-	2,722,920
-	6,132,786	-	6,132,786
-	-	-	31,451
<u>6,726,462</u>	<u>6,258,278</u>	<u>1,124,233</u>	<u>17,340,068</u>
-	-	-	94,344
-	-	-	301,296
-	-	-	8,319
-	-	-	592,239
625,350	-	-	646,773
<u>625,350</u>	<u>-</u>	<u>-</u>	<u>1,642,971</u>
-	-	-	136,947
-	-	-	129,008
-	-	-	1,335,683
-	-	2,045,464	2,045,464
37,740,802	-	-	46,033,312
5,721,361	-	475,901	6,197,262
12,212,342	-	2,379,093	14,591,435
-	-	1,056,298	1,056,298
-	-	-	10,497,082
26,903,667	-	-	26,903,667
-	-	-	65,086
<u>82,578,172</u>	<u>-</u>	<u>5,956,756</u>	<u>108,991,244</u>
<u>89,929,984</u>	<u>6,258,278</u>	<u>7,080,989</u>	<u>127,974,283</u>



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TOWN OF PROSPER, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

Total fund balances - governmental funds	\$ 108,991,244
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	562,938,501
Bonds, leases and SBITA payables and accrued compensated absences will not be liquidated with current financial resources and therefore have not been included in the fund financial statements.	(216,445,077)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.	(1,019,359)
Premiums on bond issuances and deferred losses on bond refunding are recorded as other financing sources and uses when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.	
Premiums	(11,205,675)
Deferred loss	77,067
Receivables from property taxes, grants, and fines and fees are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the fund financial statements.	1,548,627
Included in the items related to debt is the recognition of the Town's proportionate share of the net pension liability and related deferred outflows and inflows of resources. The net effect is to decrease net position.	
Net pension liability	(5,337,162)
Deferred outflows related to pensions	4,524,200
Deferred inflows related to pensions	(780,426)
The Town uses internal service funds to charge the costs of the medical program and the vehicle and equipment replacement program to appropriate departments in other funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. The net effect is to increase net position.	<u>17,225,830</u>
Net position of governmental activities	<u>\$ 460,517,770</u>

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

TOWN OF PROSPER, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>General Fund</u>	<u>Impact Fees</u>	<u>Debt Service</u>
REVENUES			
Taxes:			
Property taxes	\$ 23,102,540	\$ -	\$ 18,148,489
Sales and use taxes	11,879,599	-	-
Franchise fees	3,722,110	-	-
Licenses and permits	5,399,866	-	-
Charges for services	1,785,854	-	-
Impact fees	-	5,210,817	-
Intergovernmental	560,928	-	-
Investment income	719,230	533,230	223,105
Fines, fees, warrants and seizures	537,681	-	-
Park fees	701,901	-	-
Contributions	-	-	-
Miscellaneous	244,996	-	-
Total revenues	<u>48,654,705</u>	<u>5,744,047</u>	<u>18,371,594</u>
EXPENDITURES			
Current:			
Administration	10,300,769	-	-
Police	10,170,458	-	-
Fire and EMS	10,675,760	-	-
Development services	3,803,781	-	-
Public works	4,261,408	2,833,432	-
Community services	7,552,318	-	-
Engineering	2,475,808	-	-
Capital outlay	1,349,727	-	-
Debt service:			
Principal	715,290	-	10,190,966
Interest and fiscal charges	30,515	-	8,082,588
Bond issue costs and fees	-	-	90,111
Total expenditures	<u>51,335,834</u>	<u>2,833,432</u>	<u>18,363,665</u>
Excess (deficiency) of revenues over (under) expenditures	(2,681,129)	2,910,615	7,929
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	9,415,000
Premium on issuance of bonds	-	-	783,796
Payment to bond escrow agent	-	-	(10,116,274)
Issuance of leases and SBITA	635,872	-	-
Insurance proceeds	128,745	-	-
Transfers in	1,478,696	-	-
Transfers out	(1,961,000)	(7,558,982)	-
Total other financing sources (uses)	<u>282,313</u>	<u>(7,558,982)</u>	<u>82,522</u>
NET CHANGE IN FUND BALANCE	(2,398,816)	(4,648,367)	90,451
FUND BALANCES - BEGINNING	<u>13,226,939</u>	<u>12,940,877</u>	<u>1,245,232</u>
FUND BALANCES - ENDING	<u>\$ 10,828,123</u>	<u>\$ 8,292,510</u>	<u>\$ 1,335,683</u>

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

Capital Projects	Escrow	Nonmajor Governmental	Total Governmental Funds
\$ 9,600,000	\$ -	\$ 1,825,739	\$ 52,676,768
-	-	8,642,224	20,521,823
-	-	-	3,722,110
-	-	-	5,399,866
-	-	-	1,785,854
-	-	1,326,957	6,537,774
935,966	-	-	1,496,894
3,569,455	-	406,938	5,451,958
-	-	44,990	582,671
-	-	-	701,901
6,515,675	-	2,768,190	9,283,865
-	-	10,288	255,284
<u>20,621,096</u>	<u>-</u>	<u>15,025,326</u>	<u>108,416,768</u>
-	-	6,199,355	16,500,124
-	-	3,502,778	13,673,236
-	-	3,484,356	14,160,116
3,494,200	-	-	7,297,981
-	-	-	7,094,840
-	-	-	7,552,318
-	-	-	2,475,808
43,437,161	-	29,890	44,816,778
-	-	-	10,906,256
-	-	-	8,113,103
166,779	-	-	256,890
<u>47,098,140</u>	<u>-</u>	<u>13,216,379</u>	<u>132,847,450</u>
(26,477,044)	-	1,808,947	(24,430,682)
18,560,000	-	-	27,975,000
1,056,779	-	-	1,840,575
-	-	-	(10,116,274)
-	-	-	635,872
-	-	-	128,745
10,289,032	-	-	11,767,728
-	-	(2,730,050)	(12,250,032)
<u>29,905,811</u>	<u>-</u>	<u>(2,730,050)</u>	<u>19,981,614</u>
3,428,767	-	(921,103)	(4,449,068)
<u>79,149,405</u>	<u>-</u>	<u>6,877,859</u>	<u>113,440,312</u>
<u>\$ 82,578,172</u>	<u>\$ -</u>	<u>\$ 5,956,756</u>	<u>\$ 108,991,244</u>



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TOWN OF PROSPER, TEXAS

RECONCILIATION OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - governmental funds \$ (4,449,068)

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 that cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, or donations) to net position.

Capital outlay	44,816,778
Depreciation and amortization expense	(14,517,771)

Governmental funds do not recognize assets contributed by others. However, in the statement of activities, the fair market value of those assets are recognized as revenue then allocated over their estimated useful lives and reported as depreciation expense. 24,157,883

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Issuance of bonds	(27,975,000)
Payment to bond escrow agent	10,116,274
Deferred loss on refunding	(42,774)
Premium on bond issuance	(1,840,575)
Issuance of leases and SBITA	(635,872)
Repayment of principal of long-term debt	10,906,256
Amortization of:	
Premium on bond issuance	2,893,434
Loss on refunding	(174,439)

Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(367,215)
Net pension liability and related deferred outflows and inflows	(346,256)

Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The increase in interest accrual decreases net position. (145,620)

The Town uses an internal service fund to charge the costs of the medical program and the vehicle and equipment replacement program to the appropriate departments in other funds. The change in net position of the internal service fund is reported with governmental activities. 322,557

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 747,288

Change in net position of governmental activities \$ 43,465,880

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

TOWN OF PROSPER, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis
REVENUES			
Property taxes	\$ 23,332,018	\$ 23,370,581	\$ 23,102,540
Sales and use taxes	12,903,535	12,308,897	11,879,599
Franchise fees	3,334,932	3,614,869	3,722,110
Licenses and permits	5,987,620	6,011,341	5,399,866
Charges for services	1,342,524	1,608,835	1,785,854
Intergovernmental	611,781	611,781	560,928
Investment income	950,000	800,000	719,230
Fines, fees, warrants and seizures	355,050	550,850	537,681
Park fees	722,300	743,938	701,901
Miscellaneous	189,350	291,127	244,996
Total revenues	<u>49,729,110</u>	<u>49,912,219</u>	<u>48,654,705</u>
EXPENDITURES			
Current:			
Administration	10,928,574	10,817,388	10,300,769
Police	11,378,858	10,754,562	10,170,458
Fire and EMS	10,379,914	10,825,108	10,675,760
Development services	4,119,971	3,963,044	3,803,781
Public works	5,108,876	4,645,945	4,261,408
Community services	8,361,779	7,992,644	7,552,318
Engineering	2,572,798	2,541,854	2,475,808
Capital outlay	-	-	1,349,727
Debt service:			
Principal	160,000	160,000	715,290
Interest and fiscal charges	-	-	30,515
Total expenditures	<u>53,010,770</u>	<u>51,700,545</u>	<u>51,335,834</u>
Excess (deficiency) of revenues over (under) expenditures	(3,281,660)	(1,788,326)	(2,681,129)
OTHER FINANCING SOURCES (USES)			
Issuance of leases and SBITA	-	-	635,872
Insurance proceeds	-	-	128,745
Transfers in	1,478,696	1,478,696	1,478,696
Transfers out	-	(1,125,000)	(1,961,000)
Total other financing sources (uses)	<u>1,478,696</u>	<u>353,696</u>	<u>282,313</u>
CHANGE IN FUND BALANCE	(1,802,964)	(1,434,630)	(2,398,816)
FUND BALANCE - BEGINNING	<u>13,226,939</u>	<u>13,226,939</u>	<u>13,226,939</u>
FUND BALANCE - ENDING	<u>\$ 11,423,975</u>	<u>\$ 11,792,309</u>	<u>\$ 10,828,123</u>

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

Adjustment Budget Basis	Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
\$ -	\$ 23,102,540	\$ (268,041)
-	11,879,599	(429,298)
-	3,722,110	107,241
-	5,399,866	(611,475)
-	1,785,854	177,019
-	560,928	(50,853)
(5,938)	713,292	(86,708)
-	537,681	(13,169)
-	701,901	(42,037)
-	244,996	(46,131)
<u>(5,938)</u>	<u>48,648,767</u>	<u>(1,263,452)</u>
-	10,300,769	516,619
11,742	10,182,200	572,362
-	10,675,760	149,348
27,775	3,831,556	131,488
(19,715)	4,241,693	404,252
-	7,552,318	440,326
-	2,475,808	66,046
(650,772)	698,955	(698,955)
-	715,290	(555,290)
-	30,515	(30,515)
<u>(630,970)</u>	<u>50,704,864</u>	<u>995,681</u>
625,032	(2,056,097)	(267,771)
-	635,872	635,872
-	128,745	128,745
-	1,478,696	-
-	(1,961,000)	(836,000)
-	282,313	(71,383)
625,032	(1,773,784)	(339,154)
-	13,226,939	-
<u>\$ 625,032</u>	<u>\$ 11,453,155</u>	<u>\$ (339,154)</u>

TOWN OF PROSPER, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
IMPACT FEES FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Impact fees	\$ 5,500,000	\$ 5,600,000	\$ 5,210,817	\$ (389,183)
Investment income	320,000	420,000	533,230	113,230
Total revenues	<u>5,820,000</u>	<u>6,020,000</u>	<u>5,744,047</u>	<u>(275,953)</u>
EXPENDITURES				
Public works	5,323,622	5,323,622	2,833,432	2,490,190
Total expenditures	<u>5,323,622</u>	<u>5,323,622</u>	<u>2,833,432</u>	<u>2,490,190</u>
Excess (deficiency) of revenues over (under) expenditures	496,378	696,378	2,910,615	2,214,237
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,500,000)	(7,558,982)	(7,558,982)	-
Total other financing sources (uses)	<u>(7,500,000)</u>	<u>(7,558,982)</u>	<u>(7,558,982)</u>	<u>-</u>
CHANGE IN FUND BALANCE	(7,003,622)	(6,862,604)	(4,648,367)	2,214,237
FUND BALANCE - BEGINNING	<u>12,940,877</u>	<u>12,940,877</u>	<u>12,940,877</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 5,937,255</u>	<u>\$ 6,078,273</u>	<u>\$ 8,292,510</u>	<u>\$ 2,214,237</u>

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

TOWN OF PROSPER, TEXAS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Enterprise Funds			Total Enterprise	Governmental Activities
	Water and Sewer	Solid Waste	Stormwater Drainage		Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,217,655	\$ 212,225	\$ 259,548	\$ 5,689,428	\$ 3,269,969
Investments	1,602,035	65,008	79,400	1,746,443	990,507
Receivables, net	6,176,229	303,119	165,380	6,644,728	287,409
Interfund note receivable	1,762,541	-	-	1,762,541	-
Accrued interest	130,746	1,091	1,334	133,171	16,649
Inventory	1,055,456	-	-	1,055,456	-
Total current assets	<u>15,944,662</u>	<u>581,443</u>	<u>505,662</u>	<u>17,031,767</u>	<u>4,564,534</u>
Noncurrent assets:					
Restricted cash and cash equivalents	65,679,180	-	-	65,679,180	-
Restricted investments	6,176,876	-	-	6,176,876	-
Capital assets:					
Nondepreciable	46,528,371	-	805,651	47,334,022	-
Depreciable, net	199,853,356	1,711,316	77,974,950	279,539,622	11,930,642
Right to use, net	-	-	-	-	1,334,980
Total noncurrent assets	<u>318,237,783</u>	<u>1,711,316</u>	<u>78,780,601</u>	<u>398,729,700</u>	<u>13,265,622</u>
Total Assets	<u>334,182,445</u>	<u>2,292,759</u>	<u>79,286,263</u>	<u>415,761,467</u>	<u>17,830,156</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	37,972	-	-	37,972	-
Deferred outflows related to pensions	532,496	6,881	44,792	584,169	-
Total deferred outflows of resources	<u>570,468</u>	<u>6,881</u>	<u>44,792</u>	<u>622,141</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	3,183,476	300,001	20,164	3,503,641	604,326
Retainage payable	1,037,819	-	-	1,037,819	-
Accrued interest payable	437,176	-	11,840	449,016	-
Customer deposits and escrow payable	135,000	-	-	135,000	-
Interfund note payable	-	1,762,541	-	1,762,541	-
Current portion of long-term liabilities:					
Compensated absences	81,708	2,650	781	85,139	-
Bonds payable	3,701,489	-	130,000	3,831,489	-
Total current liabilities	<u>8,576,668</u>	<u>2,065,192</u>	<u>162,785</u>	<u>10,804,645</u>	<u>604,326</u>
Noncurrent liabilities:					
Compensated absences	245,126	7,952	2,344	255,422	-
Bonds payable	102,750,253	-	2,071,291	104,821,544	-
Net pension liability	628,182	8,118	52,841	689,141	-
Total noncurrent liabilities	<u>103,623,561</u>	<u>16,070</u>	<u>2,126,476</u>	<u>105,766,107</u>	<u>-</u>
Total Liabilities	<u>112,200,229</u>	<u>2,081,262</u>	<u>2,289,261</u>	<u>116,570,752</u>	<u>604,326</u>
DEFERRED INFLOWS OF RESOURCES					
Lease related	386,549	-	-	386,549	-
Deferred inflows - pensions	91,856	1,187	7,727	100,770	-
Total deferred inflows of resources	<u>478,405</u>	<u>1,187</u>	<u>7,727</u>	<u>487,319</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	198,006,192	15,362	76,579,079	274,600,633	13,265,622
Restricted for impact fees	10,999,948	-	-	10,999,948	-
Restricted for debt service	1,346,800	-	-	1,346,800	-
Unrestricted	11,721,339	201,829	454,988	12,378,156	3,960,208
Total net position	<u>\$ 222,074,279</u>	<u>\$ 217,191</u>	<u>\$ 77,034,067</u>	<u>\$ 299,325,537</u>	<u>\$ 17,225,830</u>

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



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TOWN OF PROSPER, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Enterprise Funds			Governmental	
	Water and Sewer	Solid Waste	Stormwater Drainage	Total Enterprise	Internal Service Funds
OPERATING REVENUES					
Charges for services:					
Water and sewer charges	\$ 36,358,486	\$ -	\$ -	\$ 36,358,486	\$ -
Sanitation charges	-	3,727,080	-	3,727,080	-
Storm drainage utility fees	-	-	987,078	987,078	-
Water and sewer connections	722,525	-	-	722,525	-
Service initiation fees	114,775	-	-	114,775	-
Health charges	-	-	-	-	4,862,679
Miscellaneous	383,617	-	-	383,617	359,426
Total operating revenues	<u>37,579,403</u>	<u>3,727,080</u>	<u>987,078</u>	<u>42,293,561</u>	<u>5,222,105</u>
OPERATING EXPENSES					
Personnel services	5,342,762	76,642	397,445	5,816,849	-
Materials and supplies	1,617,268	1,880	21,635	1,640,783	332
Contractual services	7,446,351	3,249,597	963	10,696,911	136,577
Water purchases	13,879,634	-	-	13,879,634	-
Employee health insurance	-	-	-	-	7,148,945
Other operating costs	1,589,521	557	6,323	1,596,401	-
Depreciation and amortization	5,991,412	138,101	2,631,215	8,760,728	1,643,088
Total operating costs	<u>35,866,948</u>	<u>3,466,777</u>	<u>3,057,581</u>	<u>42,391,306</u>	<u>8,928,942</u>
Operating income (loss)	<u>1,712,455</u>	<u>260,303</u>	<u>(2,070,503)</u>	<u>(97,745)</u>	<u>(3,706,837)</u>
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental	214,081	-	-	214,081	-
Investment income	2,601,599	10,119	18,177	2,629,895	268,423
Interest expense	(2,372,969)	(97,130)	(20,324)	(2,490,423)	-
Developer payments	(1,356,871)	-	-	(1,356,871)	-
Bond fees	(346,260)	-	(112)	(346,372)	-
Total non-operating revenues (expenses)	<u>(1,260,420)</u>	<u>(87,011)</u>	<u>(2,259)</u>	<u>(1,349,690)</u>	<u>268,423</u>
Income (loss) before contributions and transfers	452,035	173,292	(2,072,762)	(1,447,435)	(3,438,414)
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	16,918,864	-	13,858,166	30,777,030	1,327,973
Capital contributions - impact fees	4,401,880	-	-	4,401,880	-
Transfers in	-	-	225,294	225,294	2,432,998
Transfers out	(1,931,967)	-	(244,021)	(2,175,988)	-
Total contributions and transfers	<u>19,388,777</u>	<u>-</u>	<u>13,839,439</u>	<u>33,228,216</u>	<u>3,760,971</u>
CHANGE IN NET POSITION	19,840,812	173,292	11,766,677	31,780,781	322,557
NET POSITION - BEGINNING	202,233,467	43,899	65,267,390	267,544,756	16,903,273
NET POSITION - END OF YEAR	<u>\$ 222,074,279</u>	<u>\$ 217,191</u>	<u>\$ 77,034,067</u>	<u>\$ 299,325,537</u>	<u>\$ 17,225,830</u>

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

TOWN OF PROSPER, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Enterprise Funds		
	Water and Sewer	Solid Waste	Stormwater Drainage
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 37,574,018	\$ 3,654,482	\$ 977,349
Cash payment to suppliers for goods and services	(23,308,215)	(3,186,115)	(27,073)
Cash payments for health expense	-	-	-
Cash payments to employees for services	(5,328,045)	(67,053)	(418,249)
Net cash provided by (used in) operating activities	<u>8,937,758</u>	<u>401,314</u>	<u>532,027</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to/from other funds	(1,931,966)	-	(18,727)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from issuance of bonds and notes payable	35,406,054	-	-
Principal paid on bonds and notes payable	(4,120,533)	(160,370)	(120,000)
Acquisition and construction of capital assets	(45,674,430)	-	(257,436)
Interest paid on bonds and notes payable	(3,133,637)	(97,130)	(80,219)
Bond fees paid	(346,260)	-	(112)
Transfers from other funds	-	-	-
Cash received from other governments	214,081	-	-
Developer payments	(1,356,871)	-	-
Impact fees received	4,401,880	-	-
Net cash used by capital and related financing activities	<u>(14,609,716)</u>	<u>(257,500)</u>	<u>(457,767)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment sales and purchases	(2,751,144)	(63,757)	(77,870)
Interest on deposits and investments	2,434,749	7,777	15,313
Interfund notes receivable issued	-	-	-
Interest on interfund notes receivable	97,130	-	-
Principal payment received on interfund notes receivable	160,370	-	-
Net cash used in investing activities	<u>(58,895)</u>	<u>(55,980)</u>	<u>(62,557)</u>
Net increase (decrease) in cash and cash equivalents	(7,662,819)	87,834	(7,024)
Cash and cash equivalents at beginning of year	78,559,654	124,391	266,572
Cash and cash equivalents at end of year	<u>\$ 70,896,835</u>	<u>\$ 212,225</u>	<u>\$ 259,548</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,712,455	\$ 260,303	\$ (2,070,503)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	5,991,412	138,101	2,631,215
Decrease (increase) in accounts receivable	211,397	(72,598)	(9,729)
Decrease (increase) in inventory	318,818	-	-
Decrease (increase) in prepaid items	2,372	-	85
Increase (decrease) in deferred outflows related to pensions	82,196	625	(199)
Increase (decrease) in accounts payable and accrued expenses	821,174	65,919	1,763
Increase (decrease) in customer deposits	(34,500)	-	-
Increase (decrease) in net pension liability	(135,593)	(1,209)	(2,566)
Increase (decrease) in deferred inflows	(90,427)	1,187	7,727
Increase (decrease) in compensated absences	58,454	8,986	(25,766)
Net cash provided by (used in) operating activities	<u>\$ 8,937,758</u>	<u>\$ 401,314</u>	<u>\$ 532,027</u>
SCHEDULE OF NON-CASH CAPITAL ACTIVITIES			
Transfers in and contributions of capital assets	16,918,864	-	11,505,938

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

<u>Total Enterprise</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 42,205,849	\$ 4,985,153
(26,521,403)	(332)
-	(7,180,895)
<u>(5,813,347)</u>	<u>-</u>
<u>9,871,099</u>	<u>(2,196,074)</u>
<u>(1,950,693)</u>	<u>2,157,807</u>
35,406,054	-
(4,400,903)	-
(45,931,866)	(2,420,488)
(3,310,986)	-
(346,372)	-
-	-
214,081	-
(1,356,871)	-
4,401,880	-
<u>(15,324,983)</u>	<u>(2,420,488)</u>
(2,892,771)	(971,421)
2,457,839	232,688
-	-
97,130	-
160,370	-
<u>(177,432)</u>	<u>(738,733)</u>
(7,582,009)	(3,197,488)
78,950,617	6,467,457
<u>\$ 71,368,608</u>	<u>\$ 3,269,969</u>
\$ (97,745)	\$ (3,706,837)
8,760,728	1,643,088
129,070	(236,952)
318,818	-
2,457	-
82,622	-
888,856	104,627
(34,500)	-
(139,368)	-
(81,513)	-
41,674	-
<u>\$ 9,871,099</u>	<u>\$ (2,196,074)</u>
28,424,802	1,603,164

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Prosper, Texas (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

A. Reporting Entity

The Town is a municipal corporation governed by an elected seven-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town and its component unit entity for which the Town is considered to be financially accountable.

Discretely Presented Component Unit

The Prosper Economic Development Corporation (PEDC) serves all citizens of the Town and is governed by a board appointed by the Town's elected council. The Town and the PEDC board work in tandem in determining desirable and eligible economic development projects; however, since the PEDC board members serve at the pleasure of the Town Council, the Town Council is ultimately responsible for economic development projects undertaken by the Town. The scope of public service of the PEDC benefits the Town and its citizens and is operated primarily within the geographic boundaries of the Town. The PEDC is presented as a discretely presented component unit because the governing body is not identical to the governing body of the Town, the PEDC does not solely serve the Town, and the Town has the ability to impose its will on the PEDC. Complete financial statements for the PEDC may be obtained at the entity's administration office, Prosper Economic Development Corporation, P.O. Box 1060, Prosper, Texas 75078.

Blended Component Units

Originally approved by the voters in 2018, the Crime Control and Fire Prevention Special Purpose Districts each have a sales and use tax rate of 0.25%. The purpose for creation of the special purpose districts was to finance public safety expenses in the districts, under the authority of Chapter 363 of the Texas Local Government Code. For reporting purposes, the special purpose districts are blended component units of the Town. The governing board of the blended component unit is substantively the same as the Town's governing body. The Council approves recommendations from the Board regarding administration, management and operation of the districts, and Town's management has operational responsibility for the entities. The special purpose districts are reported as governmental funds and separate financial reports are available from the Town's finance department.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to significant extent on user fees and charges for financing its operations. Likewise, the *primary government* is reported separately from a certain legally separate *component* unit for which the primary government is financially accountable. The Town has no fiduciary activities that require use of fiduciary fund reporting.

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

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if 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.

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

The Town reports the following major governmental funds:

The **General Fund** is the Town’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Impact Fees Fund**, a special revenue fund, accounts for revenues that are legally restricted for particular purposes. This fund is used to account for activity related to impact fees.

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of governmental funds.

The **Capital Projects Fund** accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The **Escrow Fund**, a special revenue fund, accounts for escrow deposits received from developers.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The

principal operating revenues of the proprietary funds are charges to customers for sales and services. The proprietary funds 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 proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

The **Water and Sewer Fund**, an enterprise fund, is used to account for those operations that are financed and operated in a manner similar to private business or where the council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Town’s water and sewer fund is used to account for water, sewer and sanitation operations.

The **Solid Waste Fund**, an enterprise fund, is used to account for the Town’s solid waste utility operations.

The **Stormwater Drainage Fund**, an enterprise fund, is used to account for the Town’s stormwater drainage utility operations.

The Town reports two internal service funds:

The **Internal Service Funds** are used to accumulate and allocate costs internally among the Town’s various functions. The Town uses its Internal Service Funds to account for its vehicle and equipment replacement program and employee medical program as well as to facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because these services predominately benefit the governmental rather than the business-type functions, they have been consolidated into governmental activities in the government-wide financial statements.

D. Deposits and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the Town.

E. Short-Term and Long-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables/payables.” Long-term interfund loans are classified as “interfund notes receivables/payables.”

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

G. Restricted Assets

Certain resources set aside for the repayment of bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Also included in restricted assets are capital recovery fees (impact fees) that are, by law, restricted for future capital improvements; and assets set aside for construction of future debt funded capital improvements. When the Town incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first.

H. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position or governmental balance sheet will sometimes report a separate section for deferred outflows of resources immediately following assets and deferred inflows immediately following liabilities. Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has the following items that qualify for reporting in these categories:

- Deferred charges or gain on refunding – A deferred charge or gain on refunding results from the difference in the carrying value of refunded debt and carrying value of the new debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year. This item is always a deferred outflow.
- Difference in expected and actual economic experience for the Town’s pension – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date. This item can be either a deferred outflow (actuarial loss) or deferred inflow (actuarial gain).
- Changes in actuarial assumptions – These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date. This item can be either a deferred outflow (actuarial loss) or deferred inflow (actuarial gain).
- Unavailable revenue is reported only in the governmental funds balance sheet due to use of the current financial resource measurement focus. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in projected and actual earnings on pension assets – This difference is netted with previous years’ unamortized gains and losses to produce a net deferred outflow or inflow and amortized over a closed five-year period.
- Deferred inflows related to leases in which the Town is a lessor represent the amount of unrecognized lease revenue. This amount will be recognized in a systematic and rational manner over the lease term.

I. Capital Assets

Capital assets are tangible and intangible, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and right to use assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, as well as in the proprietary fund statement of net position. Capital assets are defined by the Town 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 cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Number of Years</u>
Buildings	20 - 30
System infrastructure	15 - 45
Street infrastructure	25 - 30
Equipment	5 - 10
Vehicles	4 - 7

Right to use assets	2 - 7
Right to use SBITA	2 - 6

J. Intangible Assets

Intangible assets are reported in the business-type activities column in the government-wide financial statements as well as in the proprietary fund statement of net position. Intangible assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years are recorded at historical cost or estimate historical cost if purchased or constructed. Once placed into service, the intangible asset is amortized over its estimated useful life.

K. Leases and Subscription-Based Information Technology Arrangements

The Town is has agreements noncancellable leases of equipment, vehicles and subscription-based informtion technology arrangements (SBITAs). The Town recognizes related liabilities and an intangible right-to-use assets in the government-wide financial statements. The Town recognizes liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease or SBITA, the Town initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases and SBITAs include how the Town determines (1) the discount rate it uses to discount the expected payments to present value, (2) term and (3) payments.

- The Town uses the interest rate charged by the vendor as the discount rate. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate.
- The agreement term includes the noncancellable period of the lease or SBITA.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its leases or SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Lease and SBITA assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

The Town is a lessor for noncancellable leases and recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

L. Compensated Absences

It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Pension

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

N. Health Claims Liability

The Health Insurance internal service fund includes an estimate of liabilities for self-insured claims incurred but not reported and are expected to be paid within one year. The liability is estimated and included in accounts payable and accrued expenses in the statement of net position.

O. 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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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 during the period is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Net Position and Fund Balance

In the government-wide and proprietary fund financial statements, the Town reports restrictions of net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Net investment in capital assets represents the Town’s investment in the book value of capital assets, less any unspent proceeds from capital-related debt issuances. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

In the fund financial statements, governmental funds report fund balance categorized as follows:

Nonspendable fund balance includes amounts that are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined and approved by passage of a formal resolution of the Town’s highest level of decision-making authority, the Town Council. Commitments may be changed or lifted only by the Town taking the same formal action that imposed the constraint originally. In accordance with the Town Charter, an amount equal to 20% of total general fund expenditures has been identified as committed for a contingency reserve.

Assigned fund balance includes amounts intended to be used by the Town for specific purposes. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. In the General Fund, assigned fund balance is either designated by the Town Manager or represents a fund balance drawdown adopted for the upcoming year’s budget.

Unassigned fund balance is the residual classification of the general fund and includes all amounts not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance amount.

Net Position Flow Assumption

Sometimes the Town 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 Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Q. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

Property Taxes

Property taxes are levied by October 1, due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed. The combined tax rate to finance general governmental services and interest and sinking fund requirements for the year ended September 30, 2025 was \$0.505 per \$100 of valuation.

Property taxes are based on the appraised values provided by the Collin County or Denton County Central Appraisal Districts, whichever is applicable. Penalty on unpaid taxes accrues after February 1 up to the date collected by the Town at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the Town. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the

State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the Town. The Town’s current policy is to write-off uncollectible personal property taxes after four years.

Under state law, property tax levies are divided into a debt service (DS) levy and a maintenance and operations (M&O) levy. Each category of levy has its own unique restrictions and requirements under state law. M&O tax revenue excluding the impact of new construction may only grow 3.5% per year unless approved by the voters. Total tax levy may not exceed \$2.50 per hundred dollars of valuation.

Sales Tax

Sales and use tax is authorized under state law with 6.25% reserved for the state and up the 2% available for local government. Currently three Prosper entities collect sales tax. The town collects 1.5% which includes the 1% municipal levy and 0.5% 4B economic development levy provided to PEDC. In addition, two Special Purpose Districts (SPD) Prosper Crime Control and Prosper Fire Prevention and EMS District each have a 0.25% levy for a total local levy of 2%. The two SPD’s were approved by the voters in 2023 for an additional 20 years (until 2043).

The State of Texas utilizes origin-based servicing for municipal sales tax. Under this approach sales and use tax is sourced to the taxing jurisdiction in which the selling business is located regardless of where in the state the purchaser resides or the product is shipped. Origin-based sourcing can produce large individual sales and use tax remitters in specific jurisdictions.

Proprietary Funds Operating and Non-operating Revenues and Expenses

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 the proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues not meeting this definition are reported as non-operating revenues and expenses.

R. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the financial statements are depreciation expense which is based on the estimated useful lives of the underlying depreciable assets, allowances for doubtful accounts receivables and net pension liability and pension expense which are based on various actuarial assumptions.

S. Recent Accounting Pronouncements

The Town has reviewed GASB pronouncements which become effective in the current or future years and notes the following statements are applicable to the Town.

Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement was implemented in fiscal year 2025. Due to accrual caps, vacation buyback programs, and a LIFO flow assumption on sick time, the Town determined that there was no material change in liabilities and no restatement of prior financial statements were necessary.

Statement No. 102, *Certain Risk Disclosures* – While governments currently disclose certain financial risks, other risks are not required to be disclosed per current standards. The objective of this statement is to provide clear guidance for disclosure of risks related to concentrations and constraints. The statement was implemented in fiscal year 2025 and had no effect on the Town’s financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Town is currently evaluating the impact of this Statement.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will provide users of governmental financial statements with essential information about certain types of capital assets to be disclosed separately in the capital assets note disclosures, such as lease and subscription assets. The Statement also requires for additional disclosures for capital assets held for sale. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Town is currently evaluating the impact of this Statement.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Control

The Town's fiscal year is from October 1st to September 30th. Beginning October 1st, the approved budgets are appropriated to the various funds and departments. Amendments may be made to the budget during the fiscal year in accordance with Town Charter provisions. These amendments shall be by ordinance and shall become an attachment to the original budget. The Town budgets for revenues and expenditures on a yearly basis. The final adoption of the Annual Budget takes place in September and the new fiscal year begins October 1. Final adoption of the budget by the Town Council constitutes the official appropriations as proposed by expenditures for the current year and constitute the basis of official levy of the property tax as the amount of tax to be assessed and collected for the corresponding tax year.

The Town Manager submits the proposed budget to Town Council, and it is made public for review. The proposed operating budget includes proposed expenditures and the means of financing them. This culminates into Town Council public hearings in August or September. At this time, the Town Council may further revise the proposed budget as it deems necessary. The final adoption of the Annual Budget takes place in September when the budget is legally enacted through the passage of an ordinance.

The budgetary and accounting policies contained in the budget document conform to GAAP for governmental funds as established by the GASB, except for the effect of encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison. The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate budgetary and accounting entity. Budgetary control is maintained at the fund level with the Town Manager given the authority to transfer appropriations between departments provided that total appropriations for the fund are not exceeded.

Budgets are legally adopted for Governmental funds (General Fund, Impact Fee Fund, Debt Service Fund, Court Technology Fund, Court Security Fund, Parks Dedication Fund, Parks Improvement Fund, Crime Control Special Purpose District Fund, Fire Prevention and EMS Special Purpose District Fund, TIRZ 1 Fund, TIRZ 2 Fund, Municipal Jury Fund and Contributions Fund) and Proprietary Funds (Water and Sewer Fund, Solid Waste Fund, Stormwater Drainage Fund and Internal Service Funds).

Budgetary comparison statements are presented for the General Fund and for each major special revenue fund as part of the basic financial statements. The Capital Projects Fund is budgeted over the life of the respective project and not on an annual basis. The Escrow Fund does not have a legally adopted budget. Accordingly, formal budgetary integration of these funds is not employed and comparison of actual results of operations to budgetary data for such funds is not presented.

III. DEPOSITS AND INVESTMENTS

Deposits

State statutes require that all deposits in financial institutions be fully guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; or secured by obligations governmental entities as authorized in the Public Funds Collateral Act. All deposits of the Town that exceeded the federal depository insurance coverage level of \$250,000 were covered by pledged marketable securities held by an independent custodian or letters of credit issued by a Federal Agency or Instrumentality. The fair value of the security collateral and redemption value of letters of Credit held at September 30, 2025 exceeded the value of all deposits.

At September 30, 2025, the carrying amount of the Town’s deposits was \$28,102,956, which includes PEDC deposits of \$90,986. Bank balances totaled \$28,039,409. Cash on hand totaled \$6,710. The Town also has investments in government pools at September 30, 2025, totaling \$177,261,824, including PEDC’s share of \$17,015,739, which are recorded at amortized cost.

Investments

The Town is authorized to invest in the following: Obligations of the US Government, its agencies and instrumentalities, excluding mortgage-backed securities, with a stated maximum maturity of three years; general debt obligations of any US state or political subdivision rated A+ or better with a stated maximum maturity of three years; fully insured or collateralized certificates of deposit from banks in Texas with a maximum maturity of three years, insured by the Federal Deposit Insurance Corporation (FDIC), or its successor, or collateralized in accordance with the Town’s investment policy to include spread products within these banks; share certificates from credit unions in Texas insured by the National Credit Union Share Insurance Fund with a maximum stated maturity of two years; fully insured or collateralized demand deposits in any bank in Texas insured by the FDIC or its successor or collateralized in accordance with the Town’s investment policy to include spread products within these banks; FDIC insured brokered certificate of deposit securities from a bank in any US state, delivered versus payment to the Town’s safekeeping/custody account and not to exceed one year to stated final maturity; AAA-rated, SEC registered, money market mutual funds striving to maintain a \$1 net asset value (NAV); AAA-rated Texas local government investment pools which strive to maintain a \$1 net asset value (NAV) operated in accordance with the public funds investment act and authorized by resolution of the Town Council; A1/P1 commercial paper with a maximum stated maturity of 270 days; fully collateralized repurchase agreements as defined by the public funds investment act with a defined termination date, executed with a primary dealer under an industry standard master repurchase agreement, and collateralized in accordance with the Town’s investment policy. For additional information see the Town of Prosper’s Investment Policy at www.prospertx.gov.

The Town's investments carried at fair value as of September 30, 2025, were:

Investment type:	Carrying Value	Weighted Average Maturity (days)
U.S. Agency (FFCB)	\$ 5,023,500	966
U.S. Agency (FHLB)	\$ 12,025,900	794
U.S. Agency (FHLMC)	\$ 5,003,500	808
U.S. Agency (FNMA)	<u>\$ 7,757,363</u>	910
Total	<u>\$ 29,810,263</u>	
Portfolio weighted average to maturity		856

Under the Texas Local Government Investment Pool ("TexPool") Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool invests in treasury and agency securities and repurchase agreements fully collateralized by government securities. The pool seeks to maintain a constant dollar objective. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office. Due to its short-term, highly liquid nature, TexPool investments have been reported as cash equivalents. TexPool is rated AAAM by Standard and Poor's and carries a weighted average maturity of 41 days.

The Texas Short-Term Asset Reserve Investment Pool ("TexSTAR") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. J.P. Morgan Investment Management Inc. serves as investment advisor and co-administrator with Hilltop Securities. TexSTAR invests in treasury and agency securities and repurchase agreements fully collateralized by government securities. The pool seeks to maintain a constant dollar objective. The reported value of the pool is the same as the fair value of the pool shares. Due to its short-term, highly liquid nature, investments in TexSTAR have been reported as cash equivalents. TexStar is rated AAAM by Standard and Poor's and carries a weighted average maturity of 54 days.

TexStar and TexPool have a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the Town's deposits may not be returned to the Town. The Town's policy regarding types of deposits allowed and collateral requirements is: the Depository may be a state bank authorized and regulated under Texas law; a national bank, savings and loan association, or savings bank authorized and regulated by federal law; or a savings and loan association or savings bank organized under Texas law; but shall not be any bank the deposits of which are not insured by the FDIC and pledged marketable securities or letters of credit. The Town is not exposed to custodial credit risk for its deposits, as all are covered by depository insurance and pledged marketable securities or letters of credit.

In compliance with the Public Funds Investment Act and Public Funds Collateral Act, the Town has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or deposits. The Town utilizes an independent, third-party custodian to hold all pledged marketable securities and an independent, third-party safekeeping agent to settle and hold all investment securities. The Town's investments are in US Government bonds.

Credit Risk – This is the risk that an issuer of an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The Town's investment policy establishes credit rating minimums for various

investment-types. The credit quality rating for both TexPool and TexSTAR at year end was AAA by Standard & Poor's. Item 5.

The Town's US Government bonds each had a long-term rating of Aaa by Moody's and AA+ by S&P.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio; structuring the investment portfolio so that investments matured to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements; and investing operating funds primarily in short-term deposits, securities, money market mutual funds or local government investment pools. The maximum of any investment shall be three years and the maximum weighted average maturity of the overall portfolio may not exceed two years.

Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an investment. The Town is not exposed to foreign currency risk.

Concentration of Credit Risk – This is the risk of a loss attributed to the magnitude of a government's investment in a single issuer (i.e., lack of diversification). As of September 30, 2025, the Town minimized concentration of credit risk by: staggering maturities and potential call dates; investing in securities with active secondary markets; and investing in eligible financial institution deposit accounts, money market mutual funds and local government investment pools. The Town's investments and their percentage of net portfolio assets are stated below.

Investment Type	Carrying Value	% of Total Portfolio
Investment Pool - TexSTAR	\$ 74,981,980	44.85%
Investment Pool - TexPool	62,375,013	37.31%
U.S. Agency (FFCB)	5,023,500	3.01%
U.S. Agency (FHLB)	12,025,900	7.19%
U.S. Agency (FHLMC)	5,003,500	2.99%
U.S. Agency (FNMA)	7,757,363	4.65%
Total	\$ 167,167,256	100.00%

IV. FAIR VALUE MEASUREMENTS

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs other than quoted market prices for similar assets; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of September 30, 2025:

	Fair value	Fair Value Measurements Using	
		Level 1	Level 2
Investments by fair value level			
Federal Farm Credit Bank	\$ 5,023,500	\$ 5,023,500	\$ -
Federal Home Loan Bank	12,025,900	12,025,900	-
Federal Home Loan Mortgage Corp	5,003,500	5,003,500	-
Federal National Mortgage Association	7,757,363	7,757,363	-
Total Fair Value	\$ 29,810,263	\$ 29,810,263	\$ -

V. RECEIVABLES

The Town's taxes receivables as of September 30, 2025 consisted of the following:

	Governmental Activities			Total
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	
Property taxes	\$ 182,707	\$ 97,655	\$ -	\$ 280,362
Sales tax	2,063,630	-	1,470,793	3,534,423
Gross receivables	2,246,337	97,655	1,470,793	3,814,785
Less: allowance for uncollectible	(3,654)	(1,953)	-	(5,607)
Net receivables	<u>\$ 2,242,683</u>	<u>\$ 95,702</u>	<u>\$ 1,470,793</u>	<u>\$ 3,809,178</u>

The Town's accounts receivable as of September 30, 2025 consisted of the following:

	Governmental Funds			Proprietary Funds				Total
	General Fund	Capital Projects	Nonmajor Governmental Funds	Water and Sewer Fund	Solid Waste	Stormwater Drainage Fund	Internal Service Funds	
Ambulance	\$ 1,429,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,429,243
Franchise fees	492,544	-	-	-	-	-	-	492,544
Intergovernmental	429,133	4,471,240	-	767,056	-	-	-	5,667,429
Municipal court	83,194	-	-	-	-	-	-	83,194
Utility bills	-	-	-	5,580,468	303,119	165,380	-	6,048,967
Other receivables	118,629	-	16,209	423,060	-	-	287,409	845,307
Gross receivables	2,552,743	4,471,240	16,209	6,770,584	303,119	165,380	287,409	14,566,684
Less: allowance for uncollectible	(876,610)	-	-	(594,355)	-	-	-	(1,470,965)
Net receivables	<u>\$ 1,676,133</u>	<u>\$ 4,471,240</u>	<u>\$ 16,209</u>	<u>\$ 6,176,229</u>	<u>\$ 303,119</u>	<u>\$ 165,380</u>	<u>\$ 287,409</u>	<u>\$ 13,095,719</u>

VI. CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated/amortized:					
Land	\$ 113,313,852	\$ 13,539,163	\$ -	\$ -	\$ 126,853,015
Construction in progress	85,871,844	41,545,498	-	(50,339,596)	77,077,746
Total capital assets not being depreciated/amortized	199,185,696	55,084,661	-	(50,339,596)	203,930,761
Capital assets being depreciated/amortized:					
Buildings and improvements	90,345,344	200,150	-	5,563,948	96,109,442
Equipment	23,602,001	3,376,162	-	1,798,017	28,776,180
Infrastructure	298,208,884	13,605,711	-	42,977,631	354,792,226
Right to use assets: Vehicles and Equipment	5,105,562	525,728	-	-	5,631,290
Right to use assets: SBITA	1,301,043	137,308	(353,193)	-	1,085,158
Total assets being depreciated/amortized	418,562,834	17,845,059	(353,193)	50,339,596	486,394,296
Less accumulated depreciation/amortization for:					
Buildings and improvements	(18,987,066)	(2,712,869)	-	-	(21,699,935)
Equipment	(10,714,084)	(1,858,524)	-	-	(12,572,608)
Infrastructure	(65,400,648)	(10,324,164)	-	-	(75,724,812)
Right to use assets: Vehicles and Equipment	(2,578,353)	(789,448)	-	-	(3,367,801)
Right to use assets: SBITA	(633,117)	(475,854)	353,193	-	(755,778)
Total accumulated depreciation/amortization	(98,313,268)	(16,160,859)	353,193	-	(114,120,934)
Total capital assets being depreciated/amortized, net	320,249,566	1,684,200	-	50,339,596	372,273,362
Governmental activities capital assets, net	<u>\$ 519,435,262</u>	<u>\$ 56,768,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 576,204,123</u>

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated/amortized:					
Land	\$ 2,601,366	\$ -	\$ -	\$ -	\$ 2,601,366
Construction in progress	27,139,329	45,080,656	-	(27,487,329)	44,732,656
Total capital assets, not being depreciated/amortized	29,740,695	45,080,656	-	(27,487,329)	47,334,022
Capital assets being depreciated/amortized:					
Buildings and systems	325,418	722,521	-	-	1,047,939
Vehicles and equipment	3,013,258	104,294	-	-	3,117,552
Infrastructure	257,857,199	31,967,767	-	27,487,329	317,312,295
Intangible Asset	15,744,809	-	-	-	15,744,809
Total assets being depreciated/amortized	276,940,684	32,794,582	-	27,487,329	337,222,595
Less accumulated depreciation/amortization for:					
Buildings and systems	(270,988)	(7,840)	-	-	(278,828)
Vehicles and equipment	(874,308)	(199,282)	-	-	(1,073,590)
Infrastructure	(45,260,623)	(8,238,642)	-	-	(53,499,265)
Intangible Asset	(2,516,326)	(314,964)	-	-	(2,831,290)
Total accumulated depreciation/amortization	(48,922,245)	(8,760,728)	-	-	(57,682,973)
Total capital assets being depreciated/amortized, net	228,018,439	24,033,854	-	27,487,329	279,539,622
Business-type activities capital assets, net	\$ 257,759,134	\$ 69,114,510	\$ -	\$ -	\$ 326,873,644

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Component Unit:					
Capital assets not being depreciated:					
Land	\$ 8,218,868	\$ 2,869,491	\$ (1,392,338)	\$ -	\$ 9,696,021
Total capital assets not being depreciated	\$ 8,218,868	\$ 2,869,491	\$ (1,392,338)	\$ -	\$ 9,696,021

Depreciation/amortization expense for the year ended September 30, 2025 was charged to functions/programs of the primary government as follows:

Governmental activities:

Administration	\$ 1,087,870
Police	1,325,278
Fire	1,534,266
Development Services	35,361
Public Works	10,441,463
Community Services	1,714,871
Engineering	21,750
Total	<u>\$ 16,160,859</u>

Business-type activities:

Water and sewer	\$ 5,991,412
Solid Waste	138,101
Stormwater drainage utility	2,631,215
Total	<u>\$ 8,760,728</u>

As of September 30, 2025, the Town's only intangible asset was related to wastewater treatment capacity rights acquired from the Upper Trinity Regional Water District (UTRWD). Although the capacity rights were initially acquired in March 2014, the related plant facility was placed into service as of September 30, 2017, and in the current year amortization of \$314,964 has been recognized in these financial statements. In fiscal year 2024, the Town entered into an amended agreement with UTRWD for increased capacity as part of their plant expansion. As of September 30, 2025, \$37,386,712 had been expended towards this project which is recorded as a construction in progress asset.

VII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund balances at September 30, 2025 were as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Capital projects	\$ 31,451	Short-term loans

On April 30, 2024, the Water and Sewer Fund loaned \$2,000,000 to the Solid Waste Fund for the purchase of 95-gallon trash containers. This interfund note bears interest at 5.25% and will be repaid through monthly payments over a period of ten years.

Interfund notes balances at September 30, 2025 were as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Solid Waste	Water and Sewer	\$ 1,762,541	Long-term loan

Interfund transfers made during the fiscal year were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Water and Sewer	Stormwater Drainage	\$ 225,294	Capital Outlay
General Fund	Health Insurance	1,961,000	Contribution
Contributions	Capital Projects	1,150,000	Capital Outlay
Park Dedication	Capital Projects	1,115,050	Capital Outlay
Park Improvement	Capital Projects	465,000	Capital Outlay
Impact Fees	Capital Projects	7,558,982	Capital Outlay
Water and Sewer	General Fund	1,320,700	Administration
Water and Sewer	Health Insurance	196,807	Contribution
Water and Sewer	Vehicle & Equipment Replacement	189,166	Capital Outlay
Stormwater Drainage	General Fund	157,996	Administration
Stormwater Drainage	Vehicle & Equipment Replacement	86,025	Capital Outlay
Total		<u>\$ 14,426,020</u>	

VIII. LONG-TERM LIABILITIES

The Town issues general obligation bonds, certificates of obligations, and revenue bonds to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds and certificates of obligation have been issued for both governmental and business-type activities. Revenue bonds have been issued for business-type activities. The certificates of obligation will be repaid by the debt service fund in combination with system revenues. The revenue bonds will be repaid by system revenues.

The Town issued General Obligation Refunding and Improvement Bonds, Series 2025 in the amount of \$33,355,000 for purposes of constructing and improving streets, roads, and other related infrastructure in the Town as well as a refunding portion. Waterworks and Sewer System Revenue Bonds, Series 2024 were issued in the amount of \$33,095,000 for constructing and improving the Town's waterworks and sewer system. Each bond issuance has coupon interest rates between 4% to 5% and will mature over the next 20 years.

On September 17, 2025, as part of the Series 2025 General Obligation issuance, the Town refunded portions of the General Obligation, Series 2014 and 2015, and the Certificates of Obligation, Series 2015. The net proceeds from the new debt have been placed in an irrevocable escrow account to be paid at the time of redemption. Thus, the old bonds are considered defeased and have been removed from the Town's financial statements. The Town completed the refunding to reduce its total debt service payments by \$909,955 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$707,943.

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

	Beginning Balance	Issued	Refunded/ Retired	Ending Balance	Amount Due Within One Year
<u>Governmental activities:</u>					
Compensated absences	\$ 3,374,112	\$ 3,171,167	\$ (2,803,952)	\$ 3,741,327	\$ 935,332
Net pension liability	6,389,243	3,475,075	(4,527,156)	5,337,162	-
Bonds	203,949,897	27,975,000	(20,264,466)	211,660,431	12,688,512
Bond premium on issuance	12,258,535	1,840,575	(2,893,434)	11,205,676	-
Leases payable	708,962	498,563	(340,866)	866,659	336,971
SBITA payable	413,774	137,309	(374,424)	176,659	100,063
Total governmental	<u>227,094,523</u>	<u>37,097,689</u>	<u>(31,204,298)</u>	<u>232,987,914</u>	<u>14,060,878</u>
<u>Business-type activities:</u>					
Compensated absences	298,887	264,260	(222,584)	340,563	85,140
Net pension liability	828,509	445,184	(584,552)	689,141	-
Bonds	74,060,104	38,475,000	(9,620,535)	102,914,569	3,831,489
Bonds premium on issuance	4,218,692	2,311,054	(791,284)	5,738,462	-
Total business-type activities	<u>79,406,192</u>	<u>41,495,498</u>	<u>(11,218,955)</u>	<u>109,682,735</u>	<u>3,916,629</u>
Total primary government	<u>\$ 306,500,715</u>	<u>\$ 78,593,187</u>	<u>\$ (42,423,253)</u>	<u>\$ 342,670,649</u>	<u>\$ 17,977,507</u>

The compensated absences liabilities in the governmental activities are liquidated by the General fund.

Net pension liability for governmental-type funds are recorded at the government-wide statement level and are primarily liquidated in the General Fund. Liabilities for the proprietary type activities are recorded and liquidated in the fund that incurs the liability.

Waterworks and Sewer System Revenue Bonds are to be repaid by the revenue of the water and sewer system. As of September 30, 2025, the Town had a reserve requirement of \$1,346,800 related to Waterworks and Sewer System Revenue Bonds.

Certificates of Obligation are intended to be repaid by the revenue of the combined utility system and any special funds established by the debt ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system and, second, to establish required funds.

The Town’s general obligation bonds and certificates of obligation contain a provision that in an event of default, creditors may seek a writ of mandamus to compel Town officials to carry out their legally imposed duties with respect to debt. As outstanding debt does not become immediately due, the remedy of mandamus may have to be relied upon from year to year.

Bonds and certificates of obligation at September 30, 2025 are comprised of the following issues to be repaid from the Debt Service Fund, the Water and Sewer Fund, and the Stormwater Drainage Fund. All outstanding general obligation debt of the Town at September 30, 2025 is secured by an ad valorem tax pledge.

	Governmental Activities	Business-Type Activities	Total
2014 General Obligation Improvement Bonds issued February 15, 2014, maturing February 15, 2034. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5.0%.	\$ 550,000	\$ -	\$ 550,000
2014 Certificates of Obligation issued February 15, 2014, maturing February 15, 2034. Interest payable February 15 and August 15 at rates ranging from 2.0% to 4%.	-	1,325,000	1,325,000
2015 General Obligation Refunding and Improvement Bonds issued July 15, 2015, maturing February 15, 2035. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5.0%	1,444,300	530,700	1,975,000
2016 General Obligation Refunding and Improvement Bonds issued July 12, 2016, maturing February 15, 2036. Interest payable February 15 and August 15 at rates ranging 2.0% to 4.0%.	3,310,000	-	3,310,000
2016 Certificates of Obligation issued July 12, 2016, maturing February 15, 2036. Interest payable February 15 and August 15 at rates ranging from 2.0% to 4.0%.	6,305,000	835,000	7,140,000
2017 Certificates of Obligation issued June 27, 2017, maturing February 15, 2037. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5.0%.	7,745,000	690,000	8,435,000
2018 General Obligation Refunding Bonds issued June 15, 2018, maturing February 15, 2038. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.	2,915,000	-	2,915,000
2018 Certificates of Obligation issued June 15, 2018, maturing February 15, 2038. Interest payable February 15 and August 15 at rates ranging from 3.125% to 5.0%.	9,225,000	7,300,000	16,525,000
2019 General Obligation Improvement Bonds issued July 25, 2019, maturing February 15, 2039. Interest payable February 15 and August 15 at rates ranging from 3.0% to 4.0%.	3,125,000	-	3,125,000
2019 Certificates of Obligation issued July 25, 2019, maturing February 15, 2039. Interest payable February 15 and August 15 at rates ranging from 3.0% to 5.0%.	10,066,131	3,403,869	13,470,000
2020 Certificates of Obligation issued July 30, 2020, maturing February 15, 2040. Interest payable February 15 and August 15 at rates ranging from 3.0% to 4.0%.	8,875,000	-	8,875,000

	Governmental Activities	Business-Type Activities	Total
2021 General Obligation Improvement Bonds issued August 15, 2021, maturing February 15, 2041. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5%.	30,460,000	-	30,460,000
2021 Certificates of Obligation issued August 15, 2021, maturing February 15, 2041. Interest payable February 15 and August 15 at rates ranging from 2.0% to 5%.	5,775,000	-	5,775,000
2022 General Obligation Improvement Bonds issued August 15, 2022, maturing February 15, 2042. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.	27,720,000	-	27,720,000
2022 Certificates of Obligation issued October 1, 2022, maturing August 15, 2042. Interest payable February 15 and August 15 at rates ranging from 4.75% to 5.0%.	-	11,585,000	11,585,000
2023 General Obligation Improvement Bonds issued September 28, 2023, maturing February 15, 2043. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.	34,345,000	2,380,000	36,725,000
2023 Certificates of Obligation issued September 28, 2023, maturing August 15, 2043. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.	-	7,745,000	7,745,000
2024 General Obligation Bonds issued September 19, 2024 maturing February 15, 2044. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.	31,825,000	-	31,825,000
2024 Waterworks and Sewer System Revenue Bonds issued September 19, 2024, maturing August 15, 2044. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.	-	28,645,000	28,645,000
2025 General Obligation Bonds issued September 17, 2025 maturing February 15, 2045. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.	27,975,000	5,380,000	33,355,000
2025 Waterworks and Sewer System Revenue Bonds issued September 17, 2025, maturing August 15, 2045. Interest payable February 15 and August 15 at rates ranging from 4.0% to 5.0%.	-	33,095,000	33,095,000
	<u>\$ 211,660,431</u>	<u>\$ 102,914,569</u>	<u>\$ 314,575,000</u>

The annual requirements to amortize the combined debt outstanding for the Debt Service Fund, Stormwater Drainage Fund and Water and Sewer Fund as of September 30, 2025, are as follows:

Year Ended September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 12,688,512	8,528,361	\$ 3,831,489	\$ 4,628,212	\$ 16,520,001	\$ 13,156,573
2027	10,602,894	8,101,930	4,637,106	4,625,945	15,240,000	12,727,875
2028	11,125,313	7,583,105	4,774,687	4,387,670	15,900,000	11,970,775
2029	11,666,469	7,035,862	5,008,532	4,151,062	16,675,001	11,186,924
2030	11,295,097	6,486,248	5,164,903	3,906,602	16,460,000	10,392,850
2031-2035	63,760,506	24,455,254	28,079,492	15,635,030	91,839,998	40,090,284
2036-2034	60,841,640	11,629,416	27,653,360	9,216,431	88,495,000	20,845,847
2041-2045	29,680,000	2,192,453	23,765,000	2,961,482	53,445,000	5,153,935
Total	<u>\$ 211,660,431</u>	<u>\$ 76,012,629</u>	<u>\$ 102,914,569</u>	<u>\$ 49,512,434</u>	<u>\$ 314,575,000</u>	<u>\$ 125,525,063</u>

Lease Liability

As of September 30, 2025, Prosper, TX had eleven active leases that allow the right-to-use the vendor's assets over the lease term. The rate, term and ending liability are as follows:

Purpose	Interest Rate	Initial Year	Monthly Terms	Amount of Initial Liability	Amounts Outstanding 09/30/25	Amounts Due Within One Year
Leases:						
Flock 1 - Falcon LPRs	3.451%	2024	60	\$ 568,947	\$ 342,120	\$ 110,193
Flock 2 - 24ft Trailer	2.838%	2025	36	58,213	38,359	18,911
Flock 2 - 30ft Trailer	2.838%	2025	36	61,123	40,277	19,857
Flock 2 - Condor	2.838%	2025	36	52,391	34,523	17,020
Flock 2 - Falcon	2.838%	2025	36	139,710	92,063	45,387
Flock 2 - Flock911	2.838%	2025	36	58,213	38,359	18,911
Flock 2 - Livestream	2.838%	2025	36	1,455	959	473
Flock 2 - VMS	2.838%	2025	36	8,103	5,340	2,632
Flock 3 - 24ft Trailer	2.838%	2024	36	58,222	38,359	18,911
Flock 3 - 30ft Trailer	2.838%	2024	36	61,133	40,277	19,857
Striker Medical Devices	0.804%	2021	73	453,788	196,023	64,819
Totals					<u>\$ 866,659</u>	<u>\$ 336,971</u>

Annual requirements to amortize the lease liability for the General Fund as of September 30, 2025, are as follows:

Year Ended September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 336,971	\$ 22,706
2027	345,893	13,786
2028	183,795	4,599
Total	<u>\$ 866,659</u>	<u>\$ 41,091</u>

SBITA Liability

As of September 30, 2025, Prosper, TX had four active subscriptions that allow the right-to-use the SBITA vendors' information technology software over the subscription term. The SBITA rate, term and ending liability are as follows:

Purpose	Interest Rate	Initial Year	Monthly Terms	Amount of Initial Liability	Amounts Outstanding 09/30/25	Amounts Due Within One Year
Right to Use:						
ESRI - GIS	3.207%	2025	37	\$ 137,309	\$ 86,230	\$ 42,435
CDW	2.702%	2023	66	95,904	48,557	15,756
Flock - Analytics	3.018%	2024	36	69,911	23,297	23,297
TargetSolutions	3.591%	2024	36	53,074	18,575	18,575
Totals					<u>\$ 176,659</u>	<u>\$ 100,063</u>

Annual requirements to amortize the SBITA liability for the General Fund as of September 30, 2025, are as follows:

Year Ended September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 100,063	\$ 5,448
2027	59,977	2,291
2028	16,619	449
Total	<u>\$ 176,659</u>	<u>\$ 8,188</u>

IX. RESTRICTED ASSETS

The balances of restricted asset accounts as of September 30, 2025 are as follows:

	Cash	Investments	Reason for restriction
Business-type activities:			
Water and Sewer fund	\$ 55,905,967	\$ 3,603,341	Capital projects (unspent bond proceeds)
Water and Sewer fund	1,346,800	-	Debt service
Water and Sewer fund	8,426,413	2,573,535	Impact fees
Total business-type activities	<u>\$ 65,679,180</u>	<u>\$ 6,176,876</u>	
Governmental activities:			
Impact Fees fund	\$ 6,661,803	\$ 2,028,965	Impact fees
Debt Service fund	1,030,731	315,612	Debt service
Capital Projects fund	52,931,690	13,363,073	Capital projects (unspent bond proceeds)
Escrow Fund	4,794,240	1,464,038	Customer deposits/escrow
Nonmajor governmental funds	4,268,191	1,303,886	Special revenue funds
Total governmental activities	<u>\$ 69,686,655</u>	<u>\$ 18,475,574</u>	

X. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is a participant in the Texas Municipal League Workers’ Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of individual governmental units located in Texas. The Town pays an annual premium to the Funds for its workers’ compensation and property and liability insurance coverage. The WC Fund and the Property-Liability Fund are considered self-sustaining risk pools that provide coverage for their members for up to \$2,000,000 per insured event. The Town also maintains insurance coverage for cyber-attacks. There were no significant reductions in insurance coverage from the previous year. Settled claims for risks have not exceeded insurance coverage in any of the past three years.

The Town of Prosper initiated a self-funded health and dental plan effective January 1, 2017 for Town Employees and their dependents. The Town maintains the Health Insurance Fund to account for the Town’s employee health and dental care coverage. In addition, excess insurance of up to \$1,000,000 has been obtained for an individual unit health and prescription drugs claims exceeding \$75,000 and for health claims in the aggregate exceeding \$4,573,109. The Town’s claim administrator is UMR.

Revenues are recognized from payroll deductions and Town contributions. At September 30, 2025, a liability of \$395,360 has been recorded, which represents estimated claims incurred but not yet reported. Changes in this claims liability during fiscal years 2023, 2024, and 2025 respectively were as follows

Fiscal Year	Beginning Balance	Current Year Claims	Claim Payments	Ending Balance
2023	\$ 156,854	\$ 2,207,581	\$ 2,190,249	\$ 174,186
2024	174,186	2,210,359	2,175,697	208,848
2025	208,848	5,215,397	5,028,885	395,360

XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

As a municipality exceeding 25,000 population, the town is required to provide its retirees health insurance coverage but can recover up to the full cost of that coverage. The Town has adopted a policy requiring retirees to pay an actuarially determined age-based rate and therefore has no OPEB liability under GASB standards.

XII. DEFINED BENEFIT PENSION PLAN

Plan Description

The Town participates as one of 900+ plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.TMRS.com.

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

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, 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 town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Beginning in 2009, the Town granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2009, the Town provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

Employee deposit rate	7%
Matching ratio (Town to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	70% of CPI repeating

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	214
Active employees	374
Total	<u><u>641</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the municipal matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the municipality. Under the state law governing TMRS, the contribution rate for each municipality is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The Town's contribution rate is based on the liabilities created from the benefit plan options selected by the Town and any changes in benefits or actual experience over time.

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 14.29% and 15.01% in calendar years 2024 and 2025, respectively. The Town's contributions to TMRS for the year ended September 30, 2025, were \$5,111,708, and were equal to the required contributions. The PEDC's contributions to TMRS for the year were \$53,659 and were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions

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

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and females rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on 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 the four-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-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments of 6.75% was originally effective for the December 31, 2015 valuation and is periodically verified along with all other actuarial assumptions through an actuarial experience study at least every five years. The most recent experience study was approved by the TMRS Board in September 2023. The estimate is based on a weighted average calculation of the long-term rates of return expected for each asset class. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global equity	35.00%	6.70%
Core fixed income	6.00%	4.70%
Non-core fixed income	20.00%	8.00%
Other public and private markets	12.00%	8.00%
Real estate	12.00%	7.60%
Hedge funds	5.00%	6.40%
Private equity	10.00%	11.60%
Total	100.00%	

Discount Rate

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

Changes in Net Pension Liability

The Town’s net pension liability is generally liquidated by the General Fund and proprietary funds. The Town reported the following changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 54,936,012	\$ 47,718,260	\$ 7,217,752
Changes for the year:			
Service cost	6,595,686	-	6,595,686
Interest	3,899,294	-	3,899,294
Difference between expected and actual experience	199,969	-	199,969
Change in assumptions	-	-	-
Contributions - employer	-	4,642,973	(4,642,973)
Contributions - employee	-	2,274,374	(2,274,374)
Net investment income	-	5,004,596	(5,004,596)
Benefit payments, including refunds of employee contributions	(978,588)	(978,588)	-
Administrative expense	-	(31,812)	31,812
Other changes	22,755	19,022	3,733
Net changes	9,739,116	10,930,565	(1,191,449)
Balance at December 31, 2024	\$ 64,675,128	\$ 58,648,825	\$ 6,026,303

The PEDC reported the following changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 599,671	\$ 520,884	\$ 78,787
Changes for the year:			
Service cost	69,237	-	69,237
Interest	40,932	-	40,932
Difference between expected and actual experience	2,099	-	2,099
Change in assumptions	-	-	-
Contributions - employer	-	48,739	(48,739)
Contributions - employee	-	23,875	(23,875)
Net investment income	-	52,535	(52,535)
Benefit payments, including refunds of employee contributions	(10,273)	(10,273)	-
Administrative expense	-	(334)	334
Other changes	(22,754)	(19,773)	(2,981)
Net changes	<u>79,241</u>	<u>94,769</u>	<u>(15,528)</u>
Balance at December 31, 2024	<u>\$ 678,912</u>	<u>\$ 615,653</u>	<u>\$ 63,259</u>

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

	1% Decrease in Discount Rate (5.75)%	Current Single Discount Rate (6.75)%	1% Increase in Discount Rate (7.75)%
Town's net pension liability	\$ 17,756,951	\$ 6,026,303	\$ (3,362,900)
EDC's net pension liability	186,397	63,259	(35,301)
Total	<u>\$ 17,943,348</u>	<u>\$ 6,089,562</u>	<u>\$ (3,398,201)</u>

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 electronically at www.TMRS.com.

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

For the year ended September 30, 2025, the Town and component unit recognized pension expense of \$5,501,405 and \$57,750, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,247,183	\$ -
Changes in actuarial assumptions	83,465	-
Difference between projected and actual investment earnings	-	881,196
Contributions subsequent to the measurement date	3,777,721	-
Total	<u>\$ 5,108,369</u>	<u>\$ 881,196</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 13,092	\$ -
Changes in actuarial assumptions	876	-
Difference between projected and actual investment earnings	-	9,250
Contributions subsequent to the measurement date	39,656	-
Total	\$ 53,624	\$ 9,250

The Town and component unit reported \$3,777,721 and \$39,656, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,	Town	Component Unit
2026	\$ 397,412	\$ 4,171
2027	646,468	6,786
2028	(434,424)	(4,560)
2029	(191,704)	(2,012)
2030	31,700	333
Thereafter	-	-
Total	\$ 449,452	\$ 4,718

XIII. TAX ABATEMENTS AND ECONOMIC INCENTIVES

The Town enters into economic development agreements designed to promote development and redevelopment within the Town, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the Town. These programs abate or rebate property tax and sales tax and include incentive payments and reductions in fees that are not tied to taxes.

The Town’s economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, expanding operations or bringing targeted businesses to the Town.

General Economic Development

The Town has entered into various agreements that may rebate a flat amount or percentage of property taxes or sales tax received by the Town or repay developers for the construction of impact fee eligible projects. For fiscal year 2025, the Town rebated \$463,725 in property and sales taxes and repaid developers for infrastructure agreements with \$4,190,303 in impact fees.

Tax Increment Reinvestment Zone

The Town has established two tax increment reinvestment zone (TIRZ) districts under Chapter 311, Texas Tax Code to promote local economic development and stimulate business and commercial activity within the Town and to develop and diversify the economy of the state by eliminating unemployment and underemployment and developing or expanding commerce in the state, including the enhancement of land and the Town. Each district has a base year, and incremental property tax revenues exceeding the base year amount are collected into a special revenue fund. Additionally, other taxing entities may participate in the TIRZ districts. Each participating entity’s governing body sets the percentage of increment that they will contribute to the TIRZ fund.

In December 2015, Town Council appointed a TIRZ Board to approve final projects and finance plans and to enter into a participation agreement that provides participation in the TIRZ. Unlike other contractual obligations, TIRZ grants are subject to availability of TIRZ funds, and any balance owed to a developer at the termination of the TIRZ district will no longer be considered an obligation of the Town.

The following table summarizes key statistics of each of the Town’s TIRZ districts.

	TIRZ 1	TIRZ 2
Tax year established	2008	2012
Town's participation	70%	70%
Other taxing entities	Collin County	Collin County
Participating	50%	50%
Tax year terminates	2045	2037

The development agreement for TIRZ 1 provides for development of approximately 600 acres of land located in the Town and known as the Gates of Prosper. This agreement provides for an economic development grant of \$58,000,000 plus 3.5% interest compounded annually until paid in full or termination of the agreement. Funding for this grant is contingent upon the availability of tax revenues and impact fee revenues in TIRZ 1. Interest payments of \$859,544 and payment towards construction of \$5,207,392 were made during fiscal year 2025.

The development agreement for TIRZ 2 provides for development of approximately 157 acres of land located in the Town of Prosper at the intersection of Dallas North Tollway and US Highway 380. This agreement provided for an economic development grant of \$28,566,057 plus 3.5% interest compounded annually until paid in full or termination of the agreement. This development agreement was determined to be in default and the Town’s obligation is to pay all amounts due at the time of default. No interest will be calculated from the date of default, September 22, 2020, and forward. The agreement is used as a template for reimbursements to other entities. The Town requested reimbursement of \$3,835,592 for construction of NTTA's braided ramps. The total amount outstanding at September 30, 2025 is \$4,925,988. Funding for this grant is contingent upon the availability of tax revenues and impact fee revenues in TIRZ 2. A construction payment of \$131,724 and no payment towards interest were made during fiscal year 2025.

The following is a summary of the principal balance of the infrastructure reimbursement grants and development agreements associated with the Tax Increment Reinvestment Zones:

	TIRZ 1	TIRZ 2	Total
Balance, September 30, 2024	\$ 24,558,388	\$ 1,222,120	\$ 25,780,508
Additions/adjustments	6,110,298	3,835,592	9,945,890
Payments	<u>(6,066,937)</u>	<u>(131,724)</u>	<u>(6,198,661)</u>
Balance, September 30, 2025	<u>\$ 24,601,749</u>	<u>\$ 4,925,988</u>	<u>\$ 29,527,737</u>

XIV. COMMITMENTS AND CONTINGENCIES

At September 30, 2025, the total estimated costs to complete significant construction projects in progress at year-end totaled approximately \$153,187,392 for the Capital Projects Fund.

XIV. SUBSEQUENT EVENTS

The following material events transpired after the reporting period but before issuance of the financial statements.

November 4, 2025:

The Town held a bond election with the following results:

- Proposition A: Streets \$92.8 million (Passed)
- Proposition B: Police \$29 million (Failed)
- Proposition C: Library \$34.2 million (Failed)
- Proposition D: Parks and Recreation \$24 million (Failed)
- Proposition E: Public Works and Parks Service Center \$10 million (Failed)
- Proposition F: Downtown Improvements \$2.3 million (Passed)

November 20, 2025:

The outstanding portion of the 2014 General Obligation Bonds, totaling \$550,000, were redeemed at par.

December 9, 2025:

Town Council approved Ordinance No. 2025-62, establishing TIRZ #3. The first TIRZ #3 board meeting was held on February 10, 2026.



**REQUIRED
SUPPLEMENTARY
INFORMATION
SECTION**

TOWN OF PROSPER, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

LAST TEN FISCAL YEARS
(UNAUDITED)

Measurement year December 31,	2015	2016	2017
Total pension liability			
Service cost	\$ 1,457,871	\$ 1,719,445	\$ 2,156,520
Interest on total pension liability	732,791	874,511	1,046,888
Difference between expected and actual experience	264,111	(103,100)	(42,762)
Change or assumptions	(14,368)	-	-
Benefit payments/refunds of contributions	(71,162)	(96,666)	(214,667)
Net change in total pension liability	2,369,243	2,394,190	2,945,979
Total pension liability, beginning	9,775,088	12,144,331	14,538,521
Total pension liability, ending (a)	\$ 12,144,331	\$ 14,538,521	\$ 17,484,500
Plan fiduciary net position			
Contributions - employer	\$ 914,153	\$ 1,101,478	\$ 1,526,920
Contributions - employee	539,096	623,310	794,089
Net investment income	12,145	650,853	1,650,563
Benefit payments/refunds of contributions	(71,162)	(96,666)	(214,667)
Administrative expenses	(7,392)	(7,335)	(8,534)
Other	(365)	(397)	(433)
Net change in fiduciary net position	1,386,475	2,271,243	3,747,938
Fiduciary net position, beginning	8,224,131	9,610,606	11,881,849
Fiduciary net position, ending (b)	\$ 9,610,606	\$ 11,881,849	\$ 15,629,787
Net pension liability = (a)-(b)	2,533,725	2,656,672	1,854,713
Fiduciary net position as a percentage of total pension liability	79.14%	81.73%	89.39%
Covered - employee payroll	\$ 7,701,377	\$ 8,904,427	\$ 11,344,133
Net Pension liability as a percentage of covered employee payroll	32.90%	29.84%	16.35%

2018	2019	2020	2021	2022	2023	2024
\$ 2,559,835	\$ 2,900,937	\$ 3,591,897	\$ 4,056,030	\$ 4,677,258	\$ 5,553,834	\$ 6,664,921
1,255,581	1,541,809	1,902,755	2,304,810	2,761,182	3,312,214	3,940,226
526,914	693,569	522,514	489,219	753,591	511,016	202,068
-	85,186	-	-	-	115,474	-
(326,425)	(218,532)	(220,713)	(365,014)	(434,199)	(499,558)	(988,861)
<u>4,015,905</u>	<u>5,002,969</u>	<u>5,796,453</u>	<u>6,485,045</u>	<u>7,757,832</u>	<u>8,992,980</u>	<u>9,818,354</u>
17,484,500	21,500,405	26,503,374	32,299,827	38,784,872	46,542,704	55,535,684
<u>\$ 21,500,405</u>	<u>\$ 26,503,374</u>	<u>\$ 32,299,827</u>	<u>\$ 38,784,872</u>	<u>\$ 46,542,704</u>	<u>\$ 55,535,684</u>	<u>\$ 65,354,038</u>
\$ 1,802,566	\$ 2,051,549	\$ 2,537,000	\$ 2,892,539	\$ 3,432,076	\$ 4,011,261	\$ 4,691,711
932,591	1,059,841	1,311,595	1,473,637	1,685,932	1,988,585	2,298,249
(469,840)	2,727,479	1,766,968	3,741,751	(2,665,583)	4,472,057	5,057,131
(326,425)	(218,532)	(220,713)	(365,014)	(434,199)	(499,558)	(988,861)
(9,048)	(15,339)	(11,377)	(17,219)	(22,912)	(28,197)	(32,146)
(473)	(460)	(445)	119	27,342	(197)	(752)
<u>1,929,371</u>	<u>5,604,538</u>	<u>5,383,028</u>	<u>7,725,813</u>	<u>2,022,656</u>	<u>9,943,951</u>	<u>11,025,332</u>
15,629,787	17,559,158	23,163,696	28,546,724	36,272,537	38,295,193	48,239,144
<u>\$ 17,559,158</u>	<u>\$ 23,163,696</u>	<u>\$ 28,546,724</u>	<u>\$ 36,272,537</u>	<u>\$ 38,295,193</u>	<u>\$ 48,239,144</u>	<u>\$ 59,264,476</u>
3,941,247	3,339,678	3,753,103	2,512,335	8,247,511	7,296,540	6,089,562
81.67%	87.40%	88.38%	93.52%	82.28%	86.86%	90.68%
\$ 13,304,757	\$ 15,140,587	\$ 18,737,073	\$ 20,662,405	\$ 24,084,746	\$ 28,408,360	\$ 32,832,131
29.62%	22.06%	20.03%	12.16%	34.24%	25.68%	18.55%

TOWN OF PROSPER, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year ended September 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,073,556	\$ 1,460,414	\$ 1,739,754
Contributions in relation to the actuarially determined contribution	<u>1,072,237</u>	<u>1,431,283</u>	<u>1,739,754</u>
Contribution deficiency (excess)	1,319	29,131	-
Covered payroll	\$ 7,678,705	\$ 10,850,030	\$ 12,884,881
Contributions as a percentage of covered payroll	13.96%	13.19%	13.50%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31st 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	20 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 110% of the Public Safety table used for males and 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.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 1,974,212	\$ 2,364,494	\$ 2,790,352	\$ 3,221,511	\$ 3,829,116	\$ 4,534,305	\$ 5,165,367
<u>1,974,212</u>	<u>2,364,494</u>	<u>2,790,352</u>	<u>3,221,511</u>	<u>3,829,116</u>	<u>4,534,305</u>	<u>5,165,367</u>
-	-	-	-	-	-	-
\$ 14,574,706	\$ 17,470,665	\$ 20,382,993	\$ 22,814,839	\$ 27,053,229	\$ 31,830,926	\$ 34,865,322
13.55%	13.53%	13.69%	14.12%	14.15%	14.24%	14.82%



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COMBINING AND INDIVIDUAL FUND SCHEDULES



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NONMAJOR GOVERNMENTAL FUNDS

Item 5.

COURT SECURITY/TECHNOLOGY FUND – This fund is to account for a misdemeanor offense security and technology fee. These funds are used to finance the purchase of, or to maintain technology enhancements for the Municipal Court for the following: computer systems, networks, hardware and software, electric kiosks, electronic ticket writers, docket management systems, finance security personnel, services and items related to the facility that house the operations of the municipal court. This fund was previously reported as separate funds for Court Security and Court Technology. In May of 2025, HB 1950 combined these two fees. The funds were consolidated FY25.

PARKS DEDICATION FUND – This fund is to account for contributions for the creation of parks per development agreements. Fund expenditures must be used for the acquisition, development, expansion or upgrading of parks located within the same park district or general area where the proposed development for which payment was made is located.

PARKS IMPROVEMENT FUND – This fund is to account for contributions for improvements to parks per development agreements. Developers are reimbursed for the reasonable costs of any park improvements constructed and accepted by the Town.

CRIME CONTROL SPECIAL PURPOSE DISTRICT – Originally created in 2018 and renewed by the voters in 2023 for twenty years the Crime Control and Prevention Special Purpose District is allowed under Texas Local Government Code, Chapter 363 and Texas Tax Code, Section 323.105. The Crime Control and Prevention District is dedicated to crime reduction programs and the dedication of a one-fourth of one percent sales and use tax.

FIRE PREVENTION AND EMS SPECIAL PURPOSE DISTRICT – Originally created in 2018 and renewed by the voters in 2023 for twenty years the Fire Control, Prevention, and Emergency Medical Services Special Purpose District is allowed under Texas Local Government Code, Chapter 344 and Texas Tax Code, Section 321.106. The Fire Control, Prevention, and Emergency Medical Services Special Purpose District is dedicated to fire safety and emergency medical services programs and the dedication of a one-fourth of one percent sales and use tax.

TIRZ 1 FUND – The Town designated a certain area within the Town as Tax Increment Reinvestment Zone Number 1 in 2008. The Town Council desires to promote the development or redevelopment of said geographic area by designation of a reinvestment zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code. This fund is to account for the restricted revenue sources detailed in the agreement along with the reimbursements to the developer for agreed upon expenditures.

TIRZ 2 FUND – The Town designated a certain area within the Town as Tax Increment Reinvestment Zone Number 2 in 2013. The Town Council desires to promote the development or redevelopment of said geographic area by designation of a reinvestment zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code. This fund is to account for the restricted revenue sources detailed in the agreement along with the reimbursements to the developer for agreed upon expenditures.

MUNICIPAL JURY FUND – This fund is used to fund juror reimbursements and otherwise finance jury services.

CONTRIBUTIONS FUND – This fund is used to account for various special revenue sources. Typical revenues seen in this fund would include Police Department donations, Fire Department donations, Police Seized funds, Child Safety funds and developer contributions.

TOWN OF PROSPER, TEXAS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Court Security/ Technology	Parks Dedication	Parks Improvement	Crime Control Special Purpose District
ASSETS				
Cash and cash equivalents	\$ 104,618	\$ 1,090,098	\$ 724,113	\$ 25,425
Investments	29,030	333,726	221,821	7,692
Taxes receivable, net	-	-	-	547,714
Accounts receivable, net	-	-	-	-
Accrued interest	487	5,607	3,728	129
Total assets	<u>134,135</u>	<u>1,429,431</u>	<u>949,662</u>	<u>580,960</u>
LIABILITIES				
Accounts payable	-	-	-	-
Accrued expenses	-	-	-	483,538
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>483,538</u>
FUND BALANCE				
Restricted for:				
Tax increment reinvestment zone (TIRZ)	-	-	-	-
Public safety	134,135	-	-	97,422
Parks	-	1,429,431	949,662	-
Other	-	-	-	-
Total fund balances	<u>134,135</u>	<u>1,429,431</u>	<u>949,662</u>	<u>97,422</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 134,135</u>	<u>\$ 1,429,431</u>	<u>\$ 949,662</u>	<u>\$ 580,960</u>

Fire Prevention and EMS Special Purpose District	TIRZ 1	TIRZ 2	Municipal Jury	Contributions	Total Nonmajor Governmental Funds
\$ 27,272	\$ 1,237,359	\$ 131,740	\$ 1,156	\$ 926,403	\$ 4,268,184
8,436	384,591	40,196	249	278,146	1,303,887
546,923	375,842	314	-	-	1,470,793
-	-	-	-	16,209	16,209
141	6,467	679	4	4,674	21,916
<u>582,772</u>	<u>2,004,259</u>	<u>172,929</u>	<u>1,409</u>	<u>1,225,432</u>	<u>7,080,989</u>
-	-	131,724	-	1,931	133,655
507,040	-	-	-	-	990,578
<u>507,040</u>	<u>-</u>	<u>131,724</u>	<u>-</u>	<u>1,931</u>	<u>1,124,233</u>
-	2,004,259	41,205	-	-	2,045,464
75,732	-	-	1,409	167,203	475,901
-	-	-	-	-	2,379,093
-	-	-	-	1,056,298	1,056,298
<u>75,732</u>	<u>2,004,259</u>	<u>41,205</u>	<u>1,409</u>	<u>1,223,501</u>	<u>5,956,756</u>
<u>\$ 582,772</u>	<u>\$ 2,004,259</u>	<u>\$ 172,929</u>	<u>\$ 1,409</u>	<u>\$ 1,225,432</u>	<u>\$ 7,080,989</u>

TOWN OF PROSPER, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Court Security/ Technology	Parks Dedication	Parks Improvement	Crime Control Special Purpose District
REVENUES				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	3,154,399
Impact fees	-	-	-	-
Investment income	5,514	65,305	33,455	12,333
Fines, fees, warrants and seizures	29,739	-	-	-
Contributions	-	1,303,973	1,324,020	-
Miscellaneous	-	-	-	-
Total revenues	<u>35,253</u>	<u>1,369,278</u>	<u>1,357,475</u>	<u>3,166,732</u>
EXPENDITURES				
Current:				
Administration	-	-	-	-
Police	-	-	-	3,467,375
Fire and EMS	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,467,375</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,253</u>	<u>1,369,278</u>	<u>1,357,475</u>	<u>(300,643)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>(1,115,050)</u>	<u>(465,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,115,050)</u>	<u>(465,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	35,253	254,228	892,475	(300,643)
FUND BALANCES - BEGINNING	<u>98,882</u>	<u>1,175,203</u>	<u>57,187</u>	<u>398,065</u>
FUND BALANCES - ENDING	<u>\$ 134,135</u>	<u>\$ 1,429,431</u>	<u>\$ 949,662</u>	<u>\$ 97,422</u>

Fire Prevention and EMS Special Purpose District	TIRZ 1	TIRZ 2	Municipal Jury	Contributions	Total Nonmajor Governmental Funds
\$ -	\$ 1,686,875	\$ 138,864	\$ -	\$ -	\$ 1,825,739
3,170,725	2,313,976	3,124	-	-	8,642,224
-	1,326,957	-	-	-	1,326,957
1,973	201,286	5,191	54	81,827	406,938
-	-	-	400	14,851	44,990
-	-	-	-	140,197	2,768,190
-	-	-	-	10,288	10,288
<u>3,172,698</u>	<u>5,529,094</u>	<u>147,179</u>	<u>454</u>	<u>247,163</u>	<u>15,025,326</u>
-	6,066,936	131,724	-	695	6,199,355
-	-	-	-	35,403	3,502,778
3,479,904	-	-	-	4,452	3,484,356
-	-	-	-	29,890	29,890
<u>3,479,904</u>	<u>6,066,936</u>	<u>131,724</u>	<u>-</u>	<u>70,440</u>	<u>13,216,379</u>
<u>(307,206)</u>	<u>(537,842)</u>	<u>15,455</u>	<u>454</u>	<u>176,723</u>	<u>1,808,947</u>
-	-	-	-	(1,150,000)	(2,730,050)
-	-	-	-	(1,150,000)	(2,730,050)
(307,206)	(537,842)	15,455	454	(973,277)	(921,103)
382,938	2,542,101	25,750	955	2,196,778	6,877,859
<u>\$ 75,732</u>	<u>\$ 2,004,259</u>	<u>\$ 41,205</u>	<u>\$ 1,409</u>	<u>\$ 1,223,501</u>	<u>\$ 5,956,756</u>

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 18,228,251	\$ 18,241,765	\$ 18,148,489	\$ (93,276)
Investment income	195,000	195,000	223,105	28,105
Total Revenues	18,423,251	18,436,765	18,371,594	(65,171)
EXPENDITURES				
Debt service:				
Principal	12,159,858	12,159,858	10,190,966	1,968,892
Interest and fiscal charges	6,663,697	6,663,697	8,082,588	(1,418,891)
Bond issue costs and fees	20,000	20,000	90,111	(70,111)
Total Expenditures	18,843,555	18,843,555	18,363,665	479,890
Excess (deficiency) of revenues over (under) expenditures	(420,304)	(406,790)	7,929	414,719
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	9,415,000	9,415,000
Premium on issuance of bonds	-	-	783,796	783,796
Payment to bond escrow agent	-	-	(10,116,274)	(10,116,274)
Total Other Financing Sources (Uses)	-	-	82,522	82,522
CHANGE IN FUND BALANCE	(420,304)	(406,790)	90,451	497,241
FUND BALANCE - BEGINNING	1,245,232	1,245,232	1,245,232	-
FUND BALANCE - ENDING	\$ 824,928	\$ 838,442	\$ 1,335,683	\$ 497,241

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COURT SECURITY/ TECHNOLOGY FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ 2,550	\$ 3,568	\$ 5,514	\$ 1,946
Fines, fees, warrants and seizures	16,723	24,427	29,739	5,312
Total revenues	<u>19,273</u>	<u>27,995</u>	<u>35,253</u>	<u>7,258</u>
EXPENDITURES				
Administration	26,860	1,860	-	1,860
Total expenditures	<u>26,860</u>	<u>1,860</u>	<u>-</u>	<u>1,860</u>
CHANGE IN FUND BALANCE	(7,587)	26,135	35,253	9,118
FUND BALANCE - BEGINNING	98,882	98,882	98,882	-
FUND BALANCE - ENDING	<u>\$ 91,295</u>	<u>\$ 125,017</u>	<u>\$ 134,135</u>	<u>\$ 9,118</u>

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PARKS DEDICATION FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ 36,000	\$ 43,728	\$ 65,305	\$ 21,577
Contributions	600,000	1,303,972	1,303,973	1
Total revenues	<u>636,000</u>	<u>1,347,700</u>	<u>1,369,278</u>	<u>21,578</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,810,050)</u>	<u>(1,810,050)</u>	<u>(1,115,050)</u>	<u>695,000</u>
Total other financing sources (uses)	<u>(1,810,050)</u>	<u>(1,810,050)</u>	<u>(1,115,050)</u>	<u>695,000</u>
CHANGE IN FUND BALANCE	(1,174,050)	(462,350)	254,228	716,578
FUND BALANCE - BEGINNING	<u>1,175,203</u>	<u>1,175,203</u>	<u>1,175,203</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,153</u>	<u>\$ 712,853</u>	<u>\$ 1,429,431</u>	<u>\$ 716,578</u>

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PARKS IMPROVEMENT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ 38,000	\$ 38,000	\$ 33,455	\$ (4,545)
Contributions	800,000	1,123,484	1,324,020	200,536
Total revenues	<u>838,000</u>	<u>1,161,484</u>	<u>1,357,475</u>	<u>195,991</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(515,000)	(515,000)	(465,000)	50,000
Total other financing sources (uses)	<u>(515,000)</u>	<u>(515,000)</u>	<u>(465,000)</u>	<u>50,000</u>
CHANGE IN FUND BALANCE	323,000	646,484	892,475	245,991
FUND BALANCE - BEGINNING	<u>57,187</u>	<u>57,187</u>	<u>57,187</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 380,187</u>	<u>\$ 703,671</u>	<u>\$ 949,662</u>	<u>\$ 245,991</u>

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CRIME CONTROL SPECIAL PURPOSE DISTRICT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Sales and use taxes	\$ 3,478,456	\$ 3,203,844	\$ 3,154,399	\$ (49,445)
Investment income	1,200	7,605	12,333	4,728
Total revenues	<u>3,479,656</u>	<u>3,211,449</u>	<u>3,166,732</u>	<u>(44,717)</u>
EXPENDITURES				
Police	3,346,035	3,346,035	3,467,375	(121,340)
Total expenditures	<u>3,346,035</u>	<u>3,346,035</u>	<u>3,467,375</u>	<u>(121,340)</u>
CHANGE IN FUND BALANCE	133,621	(134,586)	(300,643)	(166,057)
FUND BALANCE - BEGINNING	<u>398,065</u>	<u>398,065</u>	<u>398,065</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 531,686</u>	<u>\$ 263,479</u>	<u>\$ 97,422</u>	<u>\$ (166,057)</u>

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FIRE PREVENTION AND EMS SPECIAL PURPOSE DISTRICT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Sales and use taxes	\$ 3,478,456	\$ 3,236,018	\$ 3,170,725	\$ (65,293)
Investment income	1,200	1,200	1,973	773
Total revenues	<u>3,479,656</u>	<u>3,237,218</u>	<u>3,172,698</u>	<u>(64,520)</u>
EXPENDITURES				
Fire and EMS	3,544,260	3,544,260	3,479,904	64,356
Total expenditures	<u>3,544,260</u>	<u>3,544,260</u>	<u>3,479,904</u>	<u>64,356</u>
CHANGE IN FUND BALANCE	(64,604)	(307,042)	(307,206)	(164)
FUND BALANCE - BEGINNING	382,938	382,938	382,938	-
FUND BALANCE - ENDING	<u>\$ 318,334</u>	<u>\$ 75,896</u>	<u>\$ 75,732</u>	<u>\$ (164)</u>

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TIRZ 1 FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,537,889	\$ 1,537,889	\$ 1,686,875	\$ 148,986
Sales and use taxes	2,380,934	2,380,934	2,313,976	(66,958)
Impact fees	750,000	906,476	1,326,957	420,481
Investment income	75,000	137,745	201,286	63,541
Total revenues	<u>4,743,823</u>	<u>4,963,044</u>	<u>5,529,094</u>	<u>566,050</u>
EXPENDITURES				
Administration	4,793,823	6,066,936	6,066,936	-
Total expenditures	<u>4,793,823</u>	<u>6,066,936</u>	<u>6,066,936</u>	<u>-</u>
CHANGE IN FUND BALANCE	(50,000)	(1,103,892)	(537,842)	566,050
FUND BALANCE - BEGINNING	<u>2,542,101</u>	<u>2,542,101</u>	<u>2,542,101</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,492,101</u>	<u>\$ 1,438,209</u>	<u>\$ 2,004,259</u>	<u>\$ 566,050</u>

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TIRZ 2 FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 126,224	\$ 142,000	\$ 138,864	\$ (3,136)
Sales and use taxes	4,000	4,000	3,124	(876)
Investment income	1,500	2,737	5,191	2,454
Total revenues	<u>131,724</u>	<u>148,737</u>	<u>147,179</u>	<u>(1,558)</u>
EXPENDITURES				
Administration	<u>131,724</u>	<u>131,724</u>	<u>131,724</u>	-
Total expenditures	<u>131,724</u>	<u>131,724</u>	<u>131,724</u>	-
CHANGE IN FUND BALANCE	-	17,013	15,455	(1,558)
FUND BALANCE - BEGINNING	<u>25,750</u>	<u>25,750</u>	<u>25,750</u>	-
FUND BALANCE - ENDING	<u>\$ 25,750</u>	<u>\$ 42,763</u>	<u>\$ 41,205</u>	<u>\$ (1,558)</u>

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MUNICIPAL JURY FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ -	\$ 50	\$ 54	\$ 4
Fines, fees, warrants and seizures	-	340	400	60
Total revenues	-	390	454	64
CHANGE IN FUND BALANCE	-	390	454	64
FUND BALANCE - BEGINNING	955	955	955	-
FUND BALANCE - ENDING	<u>\$ 955</u>	<u>\$ 1,345</u>	<u>\$ 1,409</u>	<u>\$ 64</u>

TOWN OF PROSPER, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CONTRIBUTIONS FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 14,859	\$ -	\$ (14,859)
Investment income	50,000	50,000	81,827	31,827
Fines, fees, warrants and seizures	-	-	14,851	14,851
Contributions	359,000	367,310	140,197	(227,113)
Miscellaneous	3,000	10,288	10,288	-
Total revenues	412,000	442,457	247,163	(195,294)
EXPENDITURES				
Administration	3,000	3,000	695	2,305
Police	24,495	39,354	35,403	3,951
Fire and EMS	40,000	35,000	4,452	30,548
Capital outlay	-	-	29,890	(29,890)
Total expenditures	67,495	77,354	70,440	6,914
Excess (deficiency) of revenues over (under) expenditures	344,505	365,103	176,723	(188,380)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,150,000)	(1,150,000)	(1,150,000)	-
Total other financing sources (uses)	(1,150,000)	(1,150,000)	(1,150,000)	-
CHANGE IN FUND BALANCE	(805,495)	(784,897)	(973,277)	(188,380)
FUND BALANCE - BEGINNING	2,196,778	2,196,778	2,196,778	-
FUND BALANCE - ENDING	\$ 1,391,283	\$ 1,411,881	\$ 1,223,501	\$ (188,380)

TOWN OF PROSPER, TEXAS

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2025

	Vehicle and Equipment Replacement	Health Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,111,506	\$ 158,463	\$ 3,269,969
Investments	952,544	37,963	990,507
Receivables, net	-	287,409	287,409
Accrued interest	16,009	640	16,649
Total current assets	<u>4,080,059</u>	<u>484,475</u>	<u>4,564,534</u>
Noncurrent assets:			
Depreciable, net	11,930,642	-	11,930,642
Right to use, net	1,334,980	-	1,334,980
Total noncurrent assets	<u>13,265,622</u>	<u>-</u>	<u>13,265,622</u>
Total assets	<u>17,345,681</u>	<u>484,475</u>	<u>17,830,156</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	185,816	418,510	604,326
Total current liabilities	<u>185,816</u>	<u>418,510</u>	<u>604,326</u>
Total liabilities	<u>185,816</u>	<u>418,510</u>	<u>604,326</u>
NET POSITION			
Net investment in capital assets	13,265,622	-	13,265,622
Unrestricted	3,894,243	65,965	3,960,208
Total net position	<u>\$ 17,159,865</u>	<u>\$ 65,965</u>	<u>\$ 17,225,830</u>

TOWN OF PROSPER, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Vehicle and Equipment Replacement	Health Insurance	Total Internal Service Funds
OPERATING REVENUES			
Charges for services:			
Health charges	\$ -	\$ 4,862,679	\$ 4,862,679
Miscellaneous	180,375	179,051	359,426
Total operating revenues	<u>180,375</u>	<u>5,041,730</u>	<u>5,222,105</u>
OPERATING EXPENSES			
Materials and supplies	332	-	332
Contractual services	-	136,577	136,577
Employee health insurance	-	7,148,945	7,148,945
Depreciation and amortization	1,643,088	-	1,643,088
Total operating costs	<u>1,643,420</u>	<u>7,285,522</u>	<u>8,928,942</u>
Operating loss	<u>(1,463,045)</u>	<u>(2,243,792)</u>	<u>(3,706,837)</u>
NON-OPERATING REVENUES			
Investment income	264,607	3,816	268,423
Total non-operating revenues	<u>264,607</u>	<u>3,816</u>	<u>268,423</u>
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	1,327,973	-	1,327,973
Transfers in	275,191	2,157,807	2,432,998
Total contributions and transfers	<u>1,603,164</u>	<u>2,157,807</u>	<u>3,760,971</u>
CHANGE IN NET POSITION	404,726	(82,169)	322,557
NET POSITION - BEGINNING	<u>16,755,139</u>	<u>148,134</u>	<u>16,903,273</u>
NET POSITION - END OF YEAR	<u>\$ 17,159,865</u>	<u>\$ 65,965</u>	<u>\$ 17,225,830</u>

TOWN OF PROSPER, TEXAS

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Vehicle and Equipment Replacement	Health Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 180,375	\$ 4,804,778	\$ 4,985,153
Cash payment to suppliers for goods and services	(332)	-	(332)
Cash payments for health expense	-	(7,180,895)	(7,180,895)
Net cash provided (used) by operating activities	<u>180,043</u>	<u>(2,376,117)</u>	<u>(2,196,074)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	<u>-</u>	<u>2,157,807</u>	<u>2,157,807</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	<u>(2,420,488)</u>	<u>-</u>	<u>(2,420,488)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment sales and purchases	(934,191)	(37,230)	(971,421)
Interest on deposits and investments	230,245	2,443	232,688
Net cash used by investing activities	<u>(703,946)</u>	<u>(34,787)</u>	<u>(738,733)</u>
Net decrease in cash and cash equivalents	(2,944,391)	(253,097)	(3,197,488)
Cash and cash equivalents at beginning of year	<u>6,055,897</u>	<u>411,560</u>	<u>6,467,457</u>
Cash and cash equivalents at end of year	<u>\$ 3,111,506</u>	<u>\$ 158,463</u>	<u>\$ 3,269,969</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	\$ (1,463,045)	\$ (2,243,792)	\$ (3,706,837)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation and amortization	1,643,088	-	1,643,088
Decrease (increase) in accounts receivable	-	(236,952)	(236,952)
Decrease (increase) in prepaid items	-	-	-
Increase (decrease) in accounts payable	-	104,627	104,627
Net cash provided (used) by operating activities	<u>\$ 180,043</u>	<u>\$ (2,376,117)</u>	<u>\$ (2,196,074)</u>
SCHEDULE OF NON-CASH CAPITAL ACTIVITIES			
Transfers in and contributions of capital assets	<u>\$ 1,603,164</u>	<u>\$ -</u>	<u>\$ 1,603,164</u>



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STATISTICAL SECTION

**STATISTICAL SECTION
(UNAUDITED)**

This part of the Town's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Town's overall financial health.

	<u>Page Number</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</p>	94
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the Town's most significant local revenue sources. Although sales taxes are the Town's most significant local revenue source, information about revenue base is unavailable and information about principal revenue payers is confidential under Texas statutes. Trend information about sales tax revenues is provided in Table 6. Additionally, information about the Town's second most significant local revenue source, the property tax, is provided.</p>	104
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</p>	112
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</p>	119
<p>Operating Information</p> <p>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</p>	122

Sources – Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

TOWN OF PROSPER, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 60,997	\$ 63,158	\$ 126,774	\$ 150,815
Restricted	14,307	7,549	2,332	1,945
Unrestricted	20,640	27,898	16,266	14,750
Total governmental activities net position	<u>\$ 95,944</u>	<u>\$ 98,605</u>	<u>\$ 145,372</u>	<u>\$ 167,510</u>
Business-type activities				
Net investment in capital assets	\$ 4,772	\$ 12,598	\$ 93,021	\$ 112,197
Restricted	-	4,722	-	-
Unrestricted	24,391	23,010	14,696	12,178
Total business-type activities net position	<u>\$ 29,163</u>	<u>\$ 40,330</u>	<u>\$ 107,717</u>	<u>\$ 124,375</u>
Primary government				
Net investment in capital assets	\$ 65,769	\$ 75,756	\$ 219,795	\$ 263,012
Restricted	14,307	12,271	2,332	1,945
Unrestricted	45,031	50,908	30,962	26,928
Total primary government net position	<u>\$ 125,107</u>	<u>\$ 138,935</u>	<u>\$ 253,089</u>	<u>\$ 291,885</u>

Source: Town financial statements

Notes:

Figures are as originally presented in each fiscal year's financial statements. No restatements have been made for prior period adjustments identified in the subsequent fiscal year.

The Prosper Economic Development Corporation (PEDC) was presented as a blended component unit in fiscal years 2016 and 2017. In all other years, the PEDC was presented as a discretely presented component unit.

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 169,774	\$ 211,506	\$ 268,677	\$ 327,744	\$ 381,498	\$ 411,941
5,534	6,231	3,746	6,408	7,354	6,378
18,455	33,508	28,128	19,206	28,200	42,199
<u>\$ 193,763</u>	<u>\$ 251,245</u>	<u>\$ 300,551</u>	<u>\$ 353,358</u>	<u>\$ 417,052</u>	<u>\$ 460,518</u>
\$ 127,806	\$ 147,067	\$ 179,568	\$ 199,461	\$ 236,209	\$ 274,601
-	-	-	1,925	3,355	12,347
14,758	24,909	20,336	25,164	27,981	12,378
<u>\$ 142,564</u>	<u>\$ 171,976</u>	<u>\$ 199,904</u>	<u>\$ 226,550</u>	<u>\$ 267,545</u>	<u>\$ 299,326</u>
\$ 297,580	\$ 358,573	\$ 448,245	\$ 527,205	\$ 617,707	\$ 686,542
5,534	6,231	3,746	8,333	10,709	18,725
33,213	58,417	48,464	44,370	56,181	54,576
<u>\$ 336,327</u>	<u>\$ 423,221</u>	<u>\$ 500,455</u>	<u>\$ 579,908</u>	<u>\$ 684,597</u>	<u>\$ 759,843</u>

TOWN OF PROSPER, TEXAS

CHANGE IN NET POSITION
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (AMOUNTS EXPRESSED IN THOUSANDS)
 (UNAUDITED)

	Fiscal Year			
	2016	2017	2018 (A)	2019
Expenses				
Governmental activities:				
General government	\$ 4,884	\$ 5,884	\$ 5,632	\$ 7,937
Public safety	7,027	9,256	10,853	12,013
Public works	6,701	5,974	4,836	5,645
Community services	2,973	3,357	5,226	4,687
Development services	922	1,880	4,205	2,715
Interest on long-term debt	1,571	1,774	2,297	3,070
Total governmental activities expenses	<u>24,078</u>	<u>28,125</u>	<u>33,049</u>	<u>36,067</u>
Business-type activities:				
Water, sewer, solid waste and stormwater drainage	<u>10,522</u>	<u>15,209</u>	<u>19,486</u>	<u>23,305</u>
Total business-type activities expenses	<u>10,522</u>	<u>15,209</u>	<u>19,486</u>	<u>23,305</u>
Total primary government expenses	<u>34,600</u>	<u>43,334</u>	<u>52,535</u>	<u>59,372</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	7,818	4,759	1,018	1,937
Public safety	796	899	518	567
Public works	-	-	-	5,609
Community services	99	150	227	310
Development services	-	-	4,673	3,882
Operating grants and contributions	127	198	138	156
Capital grants and contributions	<u>12,080</u>	<u>6,870</u>	<u>9,965</u>	<u>13,358</u>
Total governmental activities program revenues	<u>20,920</u>	<u>12,876</u>	<u>16,539</u>	<u>25,819</u>
Business-type activities:				
Charges for services:				
Water, sewer, solid waste and stormwater drainage	13,495	14,539	19,200	21,126
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>5,949</u>	<u>12,743</u>	<u>18,358</u>
Total business-type activities program revenues	<u>13,495</u>	<u>20,488</u>	<u>31,943</u>	<u>39,484</u>
Total primary government program revenues	<u>34,415</u>	<u>33,364</u>	<u>48,482</u>	<u>65,303</u>
Net (expense) revenue:				
Governmental activities	(3,158)	(15,249)	(16,510)	(10,248)
Business-type activities	<u>2,973</u>	<u>5,279</u>	<u>12,457</u>	<u>16,179</u>
Total primary government net expense	<u>\$ (185)</u>	<u>\$ (9,970)</u>	<u>\$ (4,053)</u>	<u>\$ 5,931</u>

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 12,036	\$ 10,516	\$ 15,610	\$ 16,246	\$ 18,921	\$ 20,680	
14,830	16,969	19,176	23,880	28,746	32,349	
6,907	9,924	18,904	17,173	14,539	17,658	
5,297	5,852	6,733	7,516	9,035	9,602	
2,413	3,622	3,543	3,220	6,175	7,584	
3,089	3,691	3,199	3,664	5,008	5,839	
<u>44,572</u>	<u>50,574</u>	<u>67,165</u>	<u>71,699</u>	<u>82,424</u>	<u>93,712</u>	
<u>24,772</u>	<u>27,480</u>	<u>30,988</u>	<u>37,222</u>	<u>43,356</u>	<u>46,585</u>	
<u>24,772</u>	<u>27,480</u>	<u>30,988</u>	<u>37,222</u>	<u>43,356</u>	<u>46,585</u>	
<u>69,344</u>	<u>78,054</u>	<u>98,153</u>	<u>108,921</u>	<u>125,780</u>	<u>140,297</u>	
1,646	2,013	1,525	2,903	3,782	3,046	
661	1,361	1,560	1,434	1,837	2,114	
7,447	9,252	10,011	7,668	6,095	5,211	
113	413	546	691	665	691	
4,523	6,818	5,295	4,725	5,344	4,014	
1,253	2,488	522	1,812	579	770	
<u>16,677</u>	<u>39,618</u>	<u>46,893</u>	<u>40,189</u>	<u>48,581</u>	<u>36,191</u>	
<u>32,320</u>	<u>61,963</u>	<u>66,352</u>	<u>59,422</u>	<u>66,883</u>	<u>52,037</u>	
24,225	26,666	32,492	35,014	39,628	41,910	
-	8	2	3,988	8,888	-	
<u>19,031</u>	<u>31,012</u>	<u>26,838</u>	<u>23,765</u>	<u>34,319</u>	<u>35,393</u>	
<u>43,256</u>	<u>57,686</u>	<u>59,332</u>	<u>62,767</u>	<u>82,835</u>	<u>77,303</u>	
<u>75,576</u>	<u>119,649</u>	<u>125,684</u>	<u>122,189</u>	<u>149,718</u>	<u>129,340</u>	
(12,252)	11,389	(813)	(12,277)	(15,541)	(41,676)	
18,484	30,206	28,344	25,545	39,479	30,718	
<u>\$ 6,232</u>	<u>\$ 41,595</u>	<u>\$ 27,531</u>	<u>\$ 13,268</u>	<u>\$ 23,938</u>	<u>\$ (10,958)</u>	

(continued)

TOWN OF PROSPER, TEXAS

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

	Fiscal Year			
	2016	2017	2018 (A)	2019
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 12,880	\$ 14,668	\$ 17,339	\$ 21,273
Sales taxes	5,609	7,038	7,074	8,476
Franchise fees	737	967	1,706	1,671
Investment income	277	431	658	1,269
Miscellaneous	282	428	164	214
Transfers	(1,751)	(5,622)	1,358	491
Special item	-	-	-	-
Total governmental activities	<u>18,034</u>	<u>17,910</u>	<u>28,299</u>	<u>33,394</u>
Business-type activities:				
Investment income	76	161	338	749
Miscellaneous income	116	105	178	221
Transfers	<u>1,751</u>	<u>5,622</u>	<u>(1,358)</u>	<u>(491)</u>
Total business-type activities	<u>1,943</u>	<u>5,888</u>	<u>(842)</u>	<u>479</u>
Total primary government	<u>19,977</u>	<u>23,798</u>	<u>27,457</u>	<u>33,873</u>
Change in Net Position				
Governmental activities	14,876	2,661	11,789	23,146
Business-type activities	<u>4,916</u>	<u>11,167</u>	<u>11,615</u>	<u>16,658</u>
Total primary government	<u>\$ 19,792</u>	<u>\$ 13,828</u>	<u>\$ 23,404</u>	<u>\$ 39,804</u>

Source: Town financial statements

Notes:

(A) In 2018, the Town reclassified the Inspections, Code Enforcement, and Planning departments from General Government to Economic Development.

Figures are as originally presented in each fiscal year's financial statements. No restatements have been made for prior period adjustments identified in the subsequent fiscal year.

The Prosper Economic Development Corporation (PEDC) was presented as a blended component unit in fiscal years 2016 and 2017. In all other years, the PEDC was presented as a discretely presented component unit.

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 24,479	\$ 26,865	\$ 30,713	\$ 38,596	\$ 45,951	\$ 52,663
10,359	13,957	16,323	17,514	19,540	20,522
1,795	1,961	2,427	2,931	3,624	3,722
736	250	(100)	4,622	7,010	5,720
248	206	513	186	1,176	564
936	892	569	1,235	1,934	1,951
-	1,500	-	-	-	-
<u>38,553</u>	<u>45,631</u>	<u>50,445</u>	<u>65,084</u>	<u>79,235</u>	<u>85,142</u>
348	65	(138)	1,920	2,955	2,630
293	495	291	416	494	384
(936)	(892)	(569)	(1,235)	(1,934)	(1,951)
<u>(295)</u>	<u>(332)</u>	<u>(416)</u>	<u>1,101</u>	<u>1,515</u>	<u>1,063</u>
<u>38,258</u>	<u>45,299</u>	<u>50,029</u>	<u>66,185</u>	<u>80,750</u>	<u>86,205</u>
26,301	57,020	49,632	52,807	63,694	43,466
18,189	29,874	27,928	26,646	40,994	31,781
<u>\$ 44,490</u>	<u>\$ 86,894</u>	<u>\$ 77,560</u>	<u>\$ 79,453</u>	<u>\$ 104,688</u>	<u>\$ 75,247</u>

TOWN OF PROSPER, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (AMOUNTS EXPRESSED IN THOUSANDS)
 (UNAUDITED)

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 3	\$ 61	\$ 15	\$ 18
Committed	2,966	3,696	4,660	4,752
Assigned	-	-	-	-
Unassigned	7,059	8,547	8,139	5,111
Total General Fund	<u>\$ 10,028</u>	<u>\$ 12,304</u>	<u>\$ 12,814</u>	<u>\$ 9,881</u>
All Other Governmental Funds				
Restricted				
Debt service	\$ 1,842	\$ 2,148	\$ 2,558	\$ 2,557
TIRZ	-	-	-	-
Streets	-	-	-	-
Capital projects	31,040	18,009	20,152	33,032
Public safety	33	35	44	47
Grants	-	-	-	-
Parks	-	-	-	-
Other	-	-	-	-
Committed	-	-	-	-
Assigned	7,786	10,316	3,505	3,278
Total All Other Governmental Funds	<u>\$ 40,701</u>	<u>\$ 30,508</u>	<u>\$ 26,259</u>	<u>\$ 38,914</u>

Source: Town financial statements

Notes:

Figures are as originally presented in each fiscal year's financial statements. No restatements have been made for prior period adjustments identified in the subsequent fiscal year.

The Prosper Economic Development Corporation (PEDC) was presented as a blended component unit in fiscal years 2016 and 2017. In all other years, the PEDC was presented as a discretely presented component unit.

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 14	\$ 42	\$ 112	\$ 144	\$ 484	\$ 266
5,576	6,127	7,207	8,903	9,953	10,497
-	3,845	4,328	2,955	1,612	-
8,333	10,229	7,279	2,688	1,178	65
<u>\$ 13,923</u>	<u>\$ 20,243</u>	<u>\$ 18,926</u>	<u>\$ 14,690</u>	<u>\$ 13,227</u>	<u>\$ 10,828</u>
\$ 2,620	\$ 2,640	\$ 683	\$ 1,303	\$ 1,245	\$ 1,336
-	-	-	-	2,568	2,046
-	-	-	-	44,917	46,033
26,850	67,586	85,521	91,841	-	-
733	1,076	1,188	1,136	12,723	6,197
1	3	27	251	-	-
2,660	2,895	2,141	2,334	20,110	14,591
255	614	212	1,845	2,043	1,056
-	-	-	-	16,607	26,904
-	-	-	-	-	-
<u>\$ 33,119</u>	<u>\$ 74,814</u>	<u>\$ 89,772</u>	<u>\$ 98,710</u>	<u>\$ 100,213</u>	<u>\$ 98,163</u>

TOWN OF PROSPER, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes	\$ 18,545	\$ 23,306	\$ 26,156	\$ 31,336
Licenses and permits	3,116	3,082	5,468	4,739
Charges for services	439	602	742	713
Impact fees	9,612	4,432	5,283	5,569
Escrow income	3,558	85	13	648
Intergovernmental	56	748	493	2,942
Investment income	276	379	671	511
Fines, fees, warrants and seizures	1,531	2,091	424	1,219
Park fees	-	-	-	-
Contributions	2,539	1,459	372	994
Miscellaneous	281	428	163	230
Total revenues	<u>39,953</u>	<u>36,612</u>	<u>39,785</u>	<u>48,901</u>
Expenditures				
General government	5,024	5,900	5,659	8,768
Public safety	6,693	8,873	10,243	11,561
Public works	4,447	3,541	4,210	3,308
Community services	2,159	2,460	4,810	3,885
Development services	948	1,709	7,364	2,634
Capital outlay	21,565	23,767	18,782	18,748
Debt service				
Principal	1,860	2,363	2,554	3,197
Interest	1,526	1,788	2,428	2,752
Bond issue costs and fees	153	157	30	240
Total expenditures	<u>44,375</u>	<u>50,558</u>	<u>56,080</u>	<u>55,093</u>
Excess (deficiency) of revenues over (under) expenditures	(4,422)	(13,946)	(16,295)	(6,192)
Other Financing Sources (Uses)				
Issuance of debt	13,440	10,575	16,305	17,135
Premium on issuance of bonds	1,322	1,156	924	1,019
Payments to bond escrow agent	(2,988)	-	-	-
Issuance of leases and SBITA	-	-	-	-
Insurance proceeds	-	-	-	-
Transfer in	11,704	6,928	9,975	8,805
Transfer out	(13,457)	(12,630)	(9,696)	(10,037)
Total other financing sources (uses)	<u>10,021</u>	<u>6,029</u>	<u>17,508</u>	<u>16,922</u>
Special Item	-	-	-	-
Net change in fund balances	<u>\$ 5,599</u>	<u>\$ (7,917)</u>	<u>\$ 1,213</u>	<u>\$ 10,730</u>
Debt service as a percentage of noncapital expenditures	<u>14.8%</u>	<u>15.5%</u>	<u>13.4%</u>	<u>16.4%</u>

Source: Town Financial Statements

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 36,551	\$ 42,779	\$ 49,496	\$ 58,420	\$ 69,593	\$ 76,921	
5,552	8,146	6,679	6,435	6,296	5,400	
589	1,190	1,080	1,361	1,559	1,786	
7,423	9,242	10,008	7,663	8,545	6,538	
501	580	-	845	167	-	
1,068	2,678	442	442	482	1,497	
679	238	(76)	4,369	6,677	5,452	
328	301	269	431	470	583	
-	410	593	695	705	702	
185	526	1,298	2,361	6,432	9,284	
227	278	491	165	937	254	
<u>53,103</u>	<u>66,368</u>	<u>70,280</u>	<u>83,187</u>	<u>101,863</u>	<u>108,417</u>	
12,583	11,983	15,237	16,328	17,536	18,977	
15,269	15,895	18,995	23,137	26,243	27,833	
4,676	4,985	12,571	9,414	5,352	7,095	
4,359	5,082	7,273	6,955	7,333	7,552	
2,634	3,580	3,585	3,237	6,083	7,298	
21,608	19,313	20,304	45,548	61,127	44,817	
3,819	4,275	8,558	7,842	9,606	10,906	
3,192	3,404	4,493	5,598	6,866	8,113	
174	484	317	377	360	257	
<u>68,314</u>	<u>69,001</u>	<u>91,333</u>	<u>118,436</u>	<u>140,506</u>	<u>132,848</u>	
(15,211)	(2,633)	(21,053)	(35,249)	(38,643)	(24,431)	
10,875	43,110	31,600	37,630	33,925	27,975	
1,695	4,684	2,375	1,939	2,833	1,841	
-	-	-	(2,247)	-	(10,116)	
-	-	454	1,373	817	636	
-	-	22	21	239	128	
2,955	6,397	10,253	13,379	4,816	11,768	
<u>(2,019)</u>	<u>(5,505)</u>	<u>(9,684)</u>	<u>(12,144)</u>	<u>(3,947)</u>	<u>(12,250)</u>	
<u>13,506</u>	<u>48,686</u>	<u>35,020</u>	<u>39,951</u>	<u>38,683</u>	<u>19,982</u>	
-	1,500	-	-	-	-	
<u>\$ (1,705)</u>	<u>\$ 47,553</u>	<u>\$ 13,967</u>	<u>\$ 4,702</u>	<u>\$ 40</u>	<u>\$ (4,449)</u>	
<u>15.0%</u>	<u>15.5%</u>	<u>18.4%</u>	<u>18.4%</u>	<u>20.8%</u>	<u>21.6%</u>	

Notes:

Figures are as originally presented in each fiscal year's financial statements. No restatements have been made for prior period adjustments identified in the subsequent fiscal year.

The Prosper Economic Development Corporation (PEDC) was presented as a blended component unit in fiscal years 2016 and 2017. In all other years, the PEDC was presented as a discretely presented component unit.

TOWN OF PROSPER, TEXAS

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Fee</u>	<u>Total</u>
2016	\$ 12,199	\$ 5,609	\$ 737	\$ 18,545
2017	15,301	7,038	967	23,306
2018	17,376	7,074	1,706	26,156
2019	21,188	8,476	1,672	31,336
2020	24,397	10,359	1,795	36,551
2021	26,861	13,957	1,961	42,779
2022	30,747	16,323	2,426	49,496
2023	37,976	17,513	2,931	58,420
2024	46,429	19,540	3,624	69,593
2025	52,677	20,522	3,722	76,921

Source: Town Financial Statements

TOWN OF PROSPER, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

**LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)**

Fiscal Year Ended	Total Estimated Market Value as Assessed	Estimated Market Value Real Property	Estimated Market Value Personal	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Taxable Assessed Value as a % of Estimated Market Value
2016	\$ 3,306,744	\$ 3,242,618	\$ 64,126	\$ 994,179	\$ 2,312,565	0.52000	69.93%
2017	3,881,824	3,798,498	83,326	1,258,940	2,622,884	0.52000	67.57%
2018	4,834,664	4,719,450	115,214	1,486,485	3,348,179	0.52000	69.25%
2019	5,589,410	5,418,879	170,531	1,844,726	3,744,684	0.52000	67.00%
2020	6,263,054	6,054,042	209,012	1,955,590	4,307,464	0.52000	68.78%
2021	7,108,809	6,885,262	223,547	2,310,423	4,798,386	0.52000	67.50%
2022	7,977,384	7,746,455	230,929	2,482,138	5,495,246	0.51000	68.89%
2023	10,543,817	10,248,747	295,070	4,047,064	6,496,753	0.51000	61.62%
2024	14,211,511	13,872,714	338,797	5,876,214	8,335,297	0.51000	58.65%
2025	15,810,250	15,425,812	384,438	6,188,148	9,622,102	0.50500	60.86%

Source: Collin and Denton County Appraisal Districts Certified Totals and Collin County Tax Assessor-Collector Tax Rolls

Taxable Assessed Values are net of local option over-65 exemptions, state mandated agricultural exemptions and disabled veterans' exemptions. This amount may include senior tax freeze ceiling amounts.

TOWN OF PROSPER, TEXAS

PROPERTY TAX RATES
 DIRECT AND OVERLAPPING GOVERNMENTS
 (PER \$100 OF ASSESSED VALUE)

LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year	Town of Prosper Tax Rate ¹			Overlapping Tax Rates ²	
	General Government	Debt Service	Total	Prosper ISD	Collin County
2016	0.361074	0.158926	0.520000	1.670000	0.225000
2017	0.367500	0.152500	0.520000	1.670000	0.208395
2018	0.367500	0.152500	0.520000	1.670000	0.192246
2019	0.367500	0.152500	0.520000	1.670000	0.180785
2020	0.367500	0.152500	0.520000	1.568350	0.174951
2021	0.367500	0.152500	0.520000	1.492700	0.172531
2022	0.328000	0.182000	0.510000	1.460300	0.168087
2023	0.329830	0.180170	0.510000	1.442900	0.152443
2024	0.332742	0.177258	0.510000	1.257500	0.149343
2025	0.324608	0.180392	0.505000	1.255200	0.149343

Source: Collin County and Denton County Appraisal Districts.

¹ Tax rate is per \$100 of taxable assessed value.

² Overlapping tax rates are those of local and county governments that apply to property owners within the Town.

Overlapping Tax Rates ²		Total Direct and Overlapping Rates Collin County	Total Direct and Overlapping Rates Denton County
Collin College	Denton County		
0.081960	0.262000	2.496960	2.452000
0.081222	0.248409	2.479617	2.438409
0.079810	0.237812	2.462056	2.427812
0.081222	0.225574	2.452007	2.415574
0.081222	0.225278	2.344523	2.313628
0.081222	0.224985	2.266453	2.237685
0.081222	0.233086	2.219609	2.203386
0.081220	0.217543	2.186563	2.170443
0.081220	0.189485	1.998063	1.956985
0.081220	0.187869	1.990763	1.948069

TOWN OF PROSPER, TEXAS

PROPERTY TAX LEVIES AND COLLECTION

**LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended	Total Tax Levy for Fiscal Year ¹	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy ¹
2016	\$ 12,052,689	\$ 11,922,739	98.9%	\$ 386,191	\$ 12,308,930	102.1%
2017	14,077,378	14,052,156	99.8%	314,471	14,366,627	102.1%
2018	17,168,258	17,119,197	99.7%	347,788	17,466,985	101.7%
2019	20,643,714	20,590,864	99.7%	469,169	21,060,033	102.0%
2020	23,743,003	23,705,358	99.8%	426,046	24,131,404	101.6%
2021	26,445,321	26,370,441	99.7%	627,191	26,997,632	102.1%
2022	30,114,813	30,045,405	99.8%	491,582	30,536,987	101.4%
2023	37,259,783	37,161,161	99.7%	50,160	37,211,321	99.9%
2024	46,190,471	45,184,510	97.8%	(2,556)	45,181,954	97.8%
2025	52,517,985	51,880,566	98.8%	-	51,880,566	98.8%

Note: Taxes stated are for General Fund and Debt Service Funds.

¹ Tax Levy is the original levy as of certification date, and does not include adjustments. The percentage of levy collected may be greater than 100% as payments that relate to levy adjustments are collected.

PRINCIPAL WATER AND SEWER CUSTOMERS

CURRENT YEAR AND PRIOR YEAR
(UNAUDITED)

Customer	2025		
	Consumption (Thousands)	Rank	Percentage of Total Consumption
PISD	50,125	1	1.5%
Orion Prosper LLC	34,927	2	1.1%
Town of Prosper	32,212	3	1.0%
Windsong Ranch Community Association	30,940	4	0.9%
GOP #2, LLC	18,928	5	0.6%
Cook Children's Hospital	18,530	6	0.6%
Siteone Landscape Supply	18,146	7	0.5%
GOP Multifamily LLC	17,859	8	0.5%
Pogue Construction	16,613	9	0.5%
Super Splash LLC	13,380	10	0.4%
All Other Customers	3,049,771		92.4%
Total Consumption	3,301,431		100.0%
Customer	2024		
	Consumption (Thousands)	Rank	Percentage of Total Consumption
Windsong Ranch Community Association	56,636	1	2.0%
Town of Prosper	51,602	2	1.8%
PISD	44,105	3	1.6%
Orion Prosper LLC	30,277	4	1.1%
GOP #2, LLC	20,121	5	0.7%
Siteone Landscape Supply	14,218	6	0.5%
Super Splash LLC	13,409	7	0.5%
Gentle Creek Estates Residential HOA	11,937	8	0.4%
Cook Children's Hospital	10,935	9	0.4%
Lakewood HOA	10,716	10	0.4%
All Other Customers	2,555,299		90.6%
Total Consumption	2,819,255		100.0%

Source: Town of Prosper Utility Customer Service annual consumption report.

The Town began providing comparative principal utility customers in fiscal year 2024. Data for prior years are unavailable.

TOWN OF PROSPER, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
380 & 289, LP	\$ 105,155,042	1	0.97%	-	-	-
GOP #2 LLC	94,117,830	2	0.87%	-	-	-
GOP Multifamily LLC	74,445,865	3	0.69%	-	-	-
Windsong TIC 1 LLC & Windsong TIC	67,200,000	4	0.62%	-	-	-
Orion Prosper Lakes LLC	65,500,000	5	0.61%	-	-	-
Prosper Residences LLC	63,075,018	6	0.58%	-	-	-
DD Brookhollow LLC	62,816,036	7	0.58%	-	-	-
Orion Prosper LLC	52,669,810	8	0.49%	-	-	-
289 (Preston) & 380 LP	45,845,752	9	0.42%	-	-	-
Alders at Prosper Property LLC	42,056,530	10	0.39%	-	-	-
Orion Prosper Lakes LLC	-	-	-	\$ 31,920,418	1	1.22%
380 & 289, LP	-	-	-	21,953,602	2	0.84%
Orion Prosper LLC	-	-	-	21,267,400	3	0.81%
D R Horton - Texas LTD	-	-	-	15,879,100	4	0.61%
Blue Star Allen Land LP	-	-	-	14,796,157	5	0.56%
Meritage Homes of Texas LLC	-	-	-	14,345,210	6	0.55%
Rosebriar Prosper Plaza LP	-	-	-	11,708,082	7	0.45%
Kroger Texas LP	-	-	-	10,460,428	8	0.40%
Wal-Mart Real Estate Business Trust	-	-	-	9,859,545	9	0.38%
Preston Development LTD	-	-	-	9,798,215	10	0.37%
Totals	<u>\$ 672,881,883</u>		<u>6.22%</u>	<u>\$ 161,988,157</u>		<u>6.18%</u>

Source: Collin and Denton County Appraisal Districts



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TOWN OF PROSPER, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)
 (UNAUDITED)

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Leases	SBITA	Premiums/ Discounts
2016	\$ 29,095	\$ 16,384	\$ 365	\$ -	\$ -	\$ 3,984
2017	30,477	28,444	-	-	-	4,865
2018	30,597	37,210	-	-	-	5,796
2019	32,816	48,930	-	-	-	6,122
2020	30,789	58,013	-	-	-	7,425
2021	65,020	62,616	-	-	-	11,587
2022	90,105	60,640	-	387	-	12,790
2023	120,275	58,636	-	324	824	12,018
2024	147,695	56,255	-	709	414	12,258
2025	163,669	47,991	-	867	177	11,206

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

N/A: Data not available at the time of this publication.

Business-Type Activities						
General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Premiums/ Discounts	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
\$ 8,145	\$ 22,966	\$ -	\$ 1,995	\$ 82,934	144.3%	\$ 4,662
8,081	23,988	-	1,951	97,806	157.6%	4,851
6,388	31,505	-	2,360	113,856	172.0%	5,027
5,600	34,490	-	2,427	130,385	184.0%	5,087
4,821	32,657	-	2,281	135,986	178.0%	4,792
4,020	30,979	-	2,090	176,312	227.5%	5,671
3,176	26,120	-	1,754	194,972	203.7%	5,506
5,140	42,354	-	2,179	241,750	232.8%	6,224
3,945	40,445	29,670	4,219	295,610	N/A	6,940
8,291	32,884	61,740	5,738	332,563	N/A	7,216

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)
 (UNAUDITED)

Fiscal Year	General Obligation Bonds ¹	Certificates of Obligation ³	Less: Amounts Available in Debt Service Funds	Total	Percentage of Actual Taxable Value of Property ¹	Per Capita ²
2016	\$ 37,240	\$ 39,350	\$ 1,842	\$ 74,748	3.23%	\$ 4,202
2017	38,558	52,432	2,148	88,842	3.39%	4,407
2018	36,985	68,715	2,558	103,142	3.08%	4,554
2019	38,416	83,420	2,557	119,279	3.19%	4,654
2020	35,610	90,670	2,620	123,660	2.87%	4,357
2021	69,040	93,595	2,640	159,995	3.33%	5,146
2022	93,281	86,760	683	179,358	3.26%	5,065
2023	125,415	100,990	1,303	225,102	3.46%	5,796
2024	151,640	96,700	1,245	247,095	2.96%	5,801
2025	171,960	80,875	1,336	251,499	2.61%	5,457

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

¹ See schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics.

³ The amounts include the premium portions of the debt.

TOWN OF PROSPER, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2025
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property rates:			
Prosper Independent School District	\$ 2,204,565,240	45.30%	\$ 998,668,054
Collin County	982,755,000	3.41%	33,511,946
Collin College	613,190,000	3.41%	20,909,779
Denton Independent School District	2,142,646,665	1.68%	35,996,464
Denton County	721,100,000	1.81%	13,051,910
Subtotal - overlapping debt	<u>6,664,256,905</u>		<u>1,102,138,153</u>
Town of Prosper direct debt	<u>\$ 223,909,425</u>	100.00%	<u>223,909,425</u>
Total direct and overlapping debt			<u>\$ 1,326,047,578</u>

Source: Electronic Municipal Market Access

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

TOWN OF PROSPER, TEXAS

TAX RATE INFORMATION

LAST TEN FISCAL YEARS
(RATES ROUNDED TO 4 PLACES)
(UNAUDITED)

	Fiscal Year				
	2016	2017	2018	2019	2020
Tax Rate Limit	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000
Total Tax Rate	<u>0.5200</u>	<u>0.5200</u>	<u>0.5200</u>	<u>0.5200</u>	<u>0.5200</u>
Available Tax Rate	<u>\$ 1.9800</u>	<u>\$ 1.9800</u>	<u>\$ 1.9800</u>	<u>\$ 1.9800</u>	<u>\$ 1.9800</u>

Note: For FY 2018-Present, under Article XI, Section 5 of the Texas Constitution, the maximum tax rate under a home rule charter is \$2.50 per \$100 assessed valuation.

Fiscal Year				
2021	2022	2023	2024	2025
\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000
0.5200	0.5100	0.5100	0.5100	0.5050
<u>\$ 1.9800</u>	<u>\$ 1.9900</u>	<u>\$ 1.9900</u>	<u>\$ 1.9900</u>	<u>\$ 1.9950</u>

TOWN OF PROSPER, TEXAS

TABLE 15

Item 5.

WATER AND SEWER COVERAGE RATIO

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Annual Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023	32,073,289	24,052,230	8,021,059	2,715,995	1,569,208	4,285,203	187%
2024	34,016,826	27,595,288	6,421,538	2,984,279	1,883,564	4,867,843	132%
2025	\$ 37,579,403	\$ 29,875,536	\$ 7,703,867	\$ 3,664,035	\$ 3,088,507	\$ 6,752,542	114%

Source: Town Financial Statements and Debt Service Schedules

Notes:

Direct operating expense excludes depreciation and amortization.

Until fiscal year 2024, the town issued Certificates of Obligations with a General Obligation pledge. These bonds are intended to be repaid with waster and sewer system revenues. Fiscal years 2023 and 2024 added for informational purposes and contain only Certificate of Obligation dept services amounts with Revenue Bond amounts to be included beginning fiscal year 2025.

In fiscal year 2024, the town issued Water and Sewer System Revenue Bonds for the first time. At September 30, 2025, the reserve requirement related to Water and Sewer System Revenue Bonds was \$1,346,800

TOWN OF PROSPER, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population ¹	Personal Income ² (expressed in thousands)	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
2016	17,790	57,483	61,179	8,254	4.0%
2017	20,160	62,078	64,025	9,970	3.5%
2018	22,650	66,212	65,874	12,081	3.5%
2019	25,630	70,852	68,474	14,287	3.2%
2020	28,380	76,381	71,246	16,857	6.9%
2021	31,090	77,500	77,006	19,138	4.5%
2022	35,410	95,701	82,593	21,780	3.4%
2023	38,840	103,829	86,860	24,994	3.8%
2024	42,598	N/A	N/A	28,467	3.9%
2025	46,087	N/A	N/A	30,279	4.2%

¹ Population data estimates from the North Central Texas Council of Governments and Town of Prosper.

² Personal income and per capita personal income data not available specific to Prosper. Per capita personal income was obtained from www.bea.gov for Collin County. 2023 was the last year of published data.

³ Enrollment data comes from Prosper Independent School District.

⁴ September unemployment rate for Dallas-Plano-Irving, TX Metropolitan Division from the U.S. Bureau of Labor Statistics

N/A: Data not available at the time of this publication.

TOWN OF PROSPER, TEXAS

PRINCIPAL EMPLOYERS

**CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Employer	2025		
	Employees	Rank	Percentage of Total Town Employment
Prosper ISD	3,436	1	45.1%
HEB	570	2	7.5%
Cook's Childrens	510	3	6.7%
Kroger (2 Locations)	500	4	6.6%
Town of Prosper	400	5	5.2%
WalMart	270	6	3.5%
Chic Fil A (2 Locations)	240	7	3.1%
Costco	213	8	2.8%
Home Depot	185	9	2.4%
Target	160	10	2.1%
Total	6,484		85.00%

Employer	2016		
	Employees	Rank	Percentage of Total Town Employment
Prosper ISD	975	1	59.3%
Town of Prosper	140	2	8.5%
Gentle Creek	52	3	3.2%
ProBuild	48	4	2.9%
Dairy Manufacturers, Inc	38	5	2.3%
RE/MAX Performance Group	33	6	2.0%
Mahard Egg Farm	31	7	1.9%
Crossland Construction	30	8	1.8%
Lattimore Materials	26	9	1.6%
CVS	25	10	1.5%
Total	1,398		85.0%

Source: Prosper EDC

* Employment data is not captured by the workforce commission due to Town's population. Assumes that 15% of the town's workforce does not work for the top 10 employers.



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TOWN OF PROSPER, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(DOLLAR AMOUNTS BELOW EXPRESSED IN THOUSANDS)
(UNAUDITED)

Function/Program	Fiscal Year			
	2016	2017	2018	2019
General Government				
Building inspection permits				
Commercial construction				
Number of units	74	108	101	105
Total dollar value of permits issued	\$ 122,799	\$ 95,793	\$ 112,427	\$ 141,609
Average value	\$ 1,659	\$ 887	\$ 1,113	\$ 1,349
Residential Construction				
Number of units	648	715	980	793
Total dollar value of permits issued	\$ 316,039	\$ 347,484	\$ 474,515	\$ 246,111
Average value	\$ 488	\$ 486	\$ 484	\$ 310
Public safety				
Police				
Physical arrests	163	205	253	208
Traffic collisions	234	322	605	889
Number of vehicles	15	18	20	28
Fire				
Number of frontline engines	2	2	2	2
Number of reserve engines	2	2	2	2
Number of frontline trucks	-	-	-	-
Number of frontline ambulances	1	2	2	2
Number of reserve ambulances	1	1	1	1
Number of frontline brush trucks	1	2	2	2
Number of station	2	2	2	2
Incidents/calls for service	1,537	1,802	2,185	2,107
Fire	64	98	97	62
Overpressure/explosion	10	10	3	4
Rescue & EMS	797	1,072	1,139	1,110
Hazardous condition	52	60	58	83
Service call	293	44	438	459
Good intent call	168	265	219	161
False alarm & false call	140	244	229	226
Severe weather & natural disaster	13	9	2	2
Fire marshal				
Fire inspections	966	1,210	1,291	2,022
Fire safety programs	12	14	17	58
Municipal court				
Number of cases filed	3,147	3,027	3,581	4,499
Number of cases closed	3,534	3,019	3,964	4,814
Public works				
Water and sewer:				
Linear feet of water lines	692,447	786,557	920,859	1,006,066
Linear feet of sewer lines	546,950	619,386	720,466	752,925
Number of hydrants	N/A	1,523	1,910	2,016
Water customers	6,671	7,784	8,603	9,188
Wastewater customers	5,757	6,770	7,506	8,131
Streets:				
Miles of streets maintained	141	153	179	212
Number of traffic signals	2	2	3	3
Parks				
Number of parks	22	22	23	28
Number of playgrounds	7	8	11	13
Acreage maintained	178	190	218	225.3

Source: Town Staff.

* The decrease in residential value of permits issued is due to the passage of House Bill 852 that prohibits municipalities from requiring the value of construction in regards to permitting. Since its passage, many builders do not indicate the value of construction when submitting for permits.

** Safety programs shut down due to the effects of pandemic.

*** Converted from center lane miles to full line miles to reflect the increasing amount of multi-lane roads maintained.

		Fiscal Year									
		2020	2021	2022	2023	2024	2025				
	105		120	154	134	113	133				
\$	114,516	\$	382,091	\$	251,432	\$	188,944	\$	406,234	\$	376,391,476
\$	1,091	\$	3,184	\$	1,633	\$	1,410	\$	3,595	\$	2,830,011
	938		1,402	1,011	897	781	633				
\$	1,257 *	\$	-	\$	-	\$	-	\$	-	\$	-
\$	628	\$	-	\$	-	\$	-	\$	-	\$	-
	211		222	398	697	782	419				
	874		1,042	1,395	1,103	1,024	1,210				
	28		32	40	43	43	52				
	2		2	2	3	3	2				
	2		2	2	2	2	3				
	1		1	1	1	1	1				
	2		2	2	3	3	3				
	1		1	2	1	1	2				
	2		2	2	2	2	2				
	2		2	2	3	3	3				
	2,517		3,482	3,759	4,137	4,485	4,870				
	74		73	114	80	82	95				
	1		2	3	3	3	4				
	1,206		1,760	1,966	2,175	2,369	2,531				
	103		109	130	151	136	153				
	622		809	747	869	896	965				
	246		360	480	476	574	609				
	256		361	315	378	422	506				
	9		8	4	5	3	7				
	1,941		2,129	2,549	2,360	2,641	2,672				
	**		29	35	41	40	42				
	2,452		1,899	2,102	3,467	3,833	4,681				
	3,091		2,584	2,417	4,858	3,911	4,536				
	1,042,324		1,057,959	1,282,189	1,436,160	1,477,057	1,560,614				
	822,201		834,534	1,035,039	1,162,748	1,197,630	1,263,697				
	2,118		2,150	2,801	2,950	3,453	3,747				
	10,353		11,766	12,573	13,135	14,773	15,491				
	9,223		10,640	11,825	12,384	13,462	14,008				
	287		330	310	340	351	580***				
	7		9	10	11	11	15				
	28		29	30	35	34	36				
	13		14	16	19	19	21				
	245.6		246	480	656	651	654				

TOWN OF PROSPER, TEXAS

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2016	2017	2018	2019
GENERAL FUND				
Administration	12.00	13.00	17.00	20.00
Code Compliance	1.00	1.00	2.00	2.00
Court	2.50	2.50	3.50	4.00
Dispatch	9.00	9.00	9.00	11.00
Engineering	6.00	6.00	7.00	10.00
Facilities	-	-	-	-
Fire	33.00	34.00	40.00	29.00
Fire Marshal	1.00	2.00	2.00	3.00
Inspections	13.00	13.00	15.00	16.00
Library	2.50	2.50	6.50	6.50
Parks	18.00	20.00	22.00	26.00
Planning	4.00	4.00	5.00	5.00
Police	22.00	27.00	30.00	24.00
Streets	3.00	3.00	5.00	6.00
Total General Fund	<u>127.00</u>	<u>137.00</u>	<u>164.00</u>	<u>162.50</u>
SPECIAL PURPOSE DISTRICT FUNDS				
Crime Control	-	-	-	12.00
Fire Control	-	-	-	12.00
Total Special Purpose District Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>24.00</u>
ENTERPRISE FUNDS				
Storm Drainage	2.00	2.00	2.00	2.00
Utility Billing	3.00	3.00	4.00	4.00
Wastewater	4.00	7.00	9.00	12.00
Water	15.00	18.00	21.00	24.00
Solid Waste	-	-	-	-
Engineering	-	-	-	-
Total Enterprise Fund	<u>24.00</u>	<u>30.00</u>	<u>36.00</u>	<u>42.00</u>
CAPITAL PROJECTS FUND	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>151.00</u>	<u>167.00</u>	<u>200.00</u>	<u>228.50</u>

Source: Town Annual Budget

Fiscal Year						
2020	2021	2022	2023	2024	2025	
21.00	25.00	28.00	34.50	38.25	41.75	
3.00	3.00	3.00	4.00	5.00	5.00	
4.00	4.00	4.50	4.50	3.50	4.50	
11.00	13.00	13.00	15.00	17.00	17.00	
12.00	12.00	15.50	15.50	16.50	16.50	
-	-	-	1.00	4.00	5.00	
35.00	37.00	41.00	52.00	50.00	44.00	
3.00	4.00	4.00	4.00	4.00	5.00	
16.00	18.00	20.00	22.00	20.00	20.00	
6.50	6.50	7.00	8.00	9.50	10.00	
27.00	27.00	32.00	33.00	41.00	43.00	
5.00	5.00	5.00	6.00	7.00	7.00	
28.00	32.00	31.00	29.00	41.00	46.00	
8.00	8.00	10.00	11.00	11.00	13.00	
<u>179.50</u>	<u>194.50</u>	<u>214.00</u>	<u>239.50</u>	<u>267.75</u>	<u>277.75</u>	
12.00	13.00	19.00	24.00	27.00	30.00	
12.00	13.00	18.00	22.00	26.00	32.00	
<u>24.00</u>	<u>26.00</u>	<u>37.00</u>	<u>46.00</u>	<u>53.00</u>	<u>62.00</u>	
2.00	2.00	2.00	2.00	4.00	5.00	
4.00	4.00	5.00	5.00	5.00	5.00	
14.00	15.00	16.00	17.00	18.00	17.00	
25.00	27.00	29.00	30.00	33.00	39.00	
-	-	-	-	1.00	1.00	
4.00	4.00	4.00	6.00	6.00	4.00	
<u>49.00</u>	<u>52.00</u>	<u>56.00</u>	<u>60.00</u>	<u>67.00</u>	<u>71.00</u>	
-	-	-	-	-	-	
<u>252.50</u>	<u>272.50</u>	<u>307.00</u>	<u>345.50</u>	<u>387.75</u>	<u>410.75</u>	

Town of Prosper, Texas

Federal Financial Assistance Report
For the Fiscal Year Ended September 30, 2025

Town of Prosper, Texas
Federal Single Audit Report
For the Fiscal Year Ended September 30, 2025
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**Independent Auditor’s Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of the Financial
Statements Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and Members of the Town Council
Town of Prosper, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Prosper, Texas, (the Town) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated March 2, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
March 2, 2026

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

To the Honorable Mayor and Members of the Town Council
Town of Prosper, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the Town's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated March 2, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
March 2, 2026

Town of Prosper, Texas
Schedule of Audit Findings and Questioned Costs
Year Ended September 30, 2025

Section I. Summary of Auditor's Results

Basic Financial Statements:

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ___Yes XNo
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? ___Yes XNone reported

Noncompliance which is material to the basic financial statements noted? ___Yes XNo

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? ___Yes XNo
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? ___Yes XNone reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___Yes XNo

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Programs or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish Between type A and type B programs: \$1,000,000

Auditee qualified as low-risk auditee? ___Yes XNo

Town of Prosper, Texas
Schedule of Audit Findings and Questioned Costs
Year Ended September 30, 2025

Section II. Financial Statement Findings

There were no findings for the year ended September 30, 2025.

Section III. Federal Awards Findings and Questioned Costs

There were no findings for the year ended September 30, 2025.

Section IV. Schedule of Prior Year Findings and Questioned Costs

There were no finding for the year ended September 30, 2024.

Town of Prosper, Texas
 Schedule of Expenditures of Federal Awards
 Year Ended September 30, 2025

Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant/ Contract Number	Expenditures
FEDERAL AWARDS			
U.S. DEPARTMENT OF TRANSPORTATION:			
National Highway Traffic Safety Administration Passed Through Texas Department of Transportation State and Community Highway Safety (Highway Safety Cluster)	20.600	2025-ProsperPD-S-1YG-00057	\$ 11,946
Federal Highway Administration Highway Planning and Construction	20.205		<u>1,249,053</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			1,260,999
U.S. DEPARTMENT OF HOMELAND SECURITY			
Federal Emergency Management Administration State and Local Cybersecurity Grant Program	97.137	EMW-2022-CY-00073	<u>86,268</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			86,268
U.S. DEPARTMENT OF JUSTICE			
Office of Community Oriented Polcing Services FY23 COPS Hiring Program	16.710	15JCPOS-23-GG-05051-UHPX	132,070
Office of Justice Programs, Office for Victims of Crime Passed Through Texas Office of the Governor - Criminal Justice Division: General Victim Assistance Direct Services Program- 2025	16.575	15POVC-23-GG-00468-ASSI	<u>70,000</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			202,070
U.S. DEPARTMENT OF COMMERCE			
Economic Development Administration EDA Public Works Infrastructure Grant (Lower Pressure Plane)	11.307	08-79-05522	<u>214,081</u>
TOTAL U.S. DEPARTMENT OF COMMERCE			<u>214,081</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 1,763,418</u></u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Town of Prosper, TexasNotes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025**Note 1. Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Prosper, Texas (the Town) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The Town's reporting entity is defined in Note 1 to the Town's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

Note 2. Indirect Cost Rate

The Town has elected not to use the 15% de minimis indirect cost rate.

A RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, ACCEPTING THE FISCAL YEAR 2024-2025 INDEPENDENT AUDIT REPORT, ACCOMPANYING ANNUAL COMPREHENSIVE FINANCIAL REPORT, AND SINGLE AUDIT REPORTS RELATED TO GRANT ACTIVITIES UNDER UNIFORM GUIDANCE; MAKING FINDINGS; AUTHORIZING PUBLICATION OF THE AUDITS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council is required by Section 7.18 of the Town Charter to call for an Independent Audit to be made of all accounts of the Town at the close of each fiscal year, a report of which is to be presented to the Town Council; and

WHEREAS, Town staff engaged Weaver and Tidwell LLP., Certified Public Accountants, to complete the Town’s Fiscal Year 2024-2025 Independent Audit; and

WHEREAS, the Town Charter requires that upon completion of the audit, a copy of the audited financial statements shall be posted to the Town’s website and copies placed on file in the office of the person performing the duties of Town Secretary, as a public record.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, THAT:

SECTION 1

The Town Council of the Town of Prosper, Texas, hereby accepts the Town’s Fiscal Year 2024-2025 Annual Comprehensive Financial Report with accompanying audit opinions in compliance with charter requirements.

SECTION 2

A copy of the completed audits shall be published immediately on the Town website and copies of the audits placed on file in the office of the person performing the duties of Town Secretary, as a public record.

SECTION 3

This Resolution shall take effect from and after the date of its passage.

DULY PASSED AND APPROVED, BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, ON THIS 10TH DAY OF MARCH, 2026.

APPROVED:

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Terrence S. Welch, Town Attorney



TOWN ATTORNEY

To: Mayor and Town Council

From: Terrence S. Welch, Town Attorney

Through: Mario Canizares, Town Manager

Re: Cook Children's 340B Program

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon authorizing the Mayor to execute an Agreement with Cook Children's Hospital for the Town to enroll in a 340B Program to provide Health Care services to low-income individuals.

Description of Agenda Item:

Cook Children's Hospital has approached the Town about being a sponsor of the Hospital so it may participate in the drug discount program established under Section 340B of the Public Health Services Act (the "340B Program"). In order to participate in the 340B Program, Cook Children's must maintain an agreement with a unit of state or local government pursuant to which Cook Children's commits to provide healthcare services to low-income individuals who are neither entitled to benefits under Medicare (Title XVIII of the Social Security Act (SSA)) nor eligible for assistance under Medicaid (Title XIX of the SSA). Cook Children's desires to affirm its commitment to Prosper to provide health care services to low-income individuals who are neither entitled to benefits under Title XVIII of the Social Security Act nor eligible for assistance under the State plan of Title XIX under this Act. The Town has no financial obligations under the Agreement other than acting as a sponsor for the 340B Program. If the Town were to ever request not to be a sponsor, it may do so with 60 days' notice to Cook Children's Hospital, thus terminating the Agreement.

Budget Impact:

There is no budgetary impact affiliated with this item.

Legal Obligations and Review:

The Agreement with Cook Children's Hospital has been approved by the Town Attorney.

Attached Documents:

1. Agreement

Town Staff Recommendation:

Town staff recommends the Town Council authorize the Mayor to execute the Agreement on behalf of the Town.

Proposed Motion:

I move to approve authorizing the Mayor to execute an Agreement with Cook Children's Hospital to provide Health Care Services to low-income individuals.

Item 6.

**AGREEMENT TO PROVIDE HEALTH CARE SERVICES TO LOW INCOME
INDIVIDUALS**

BETWEEN

THE TOWN OF PROSPER, TEXAS

AND

COOK CHILDREN'S MEDICAL CENTER - PROSPER

THIS AGREEMENT is made this __ day of March, 2026, by and between the Town of Prosper, Texas ("Prosper"), located at 250 W. First Street, Prosper, Texas 75058 and Cook Children's Medical Center - Prosper ("Hospital"), a non-profit corporation organized and existing under the laws of the State of Texas, located 4200 W. University Drive, Prosper, Texas 75078.

RECITALS:

WHEREAS, Hospital is a non-profit hospital that plays a vital role in the health care safety net by supporting programs that benefit the indigent, uninsured, and underinsured population in the State of Texas;

WHEREAS, Hospital desires to participate in the drug discount program established under Section 340B of the Public Health Services Act (the "340B Program");

WHEREAS, in order to participate in the 340B Program, Hospital must maintain a contract with a unit of state or local government pursuant to which Hospital commits to provide healthcare services to low-income individuals who are neither entitled to benefits under Medicare (Title XVIII of the Social Security Act (SSA)) nor eligible for assistance under Medicaid (Title XIX of the SSA);

WHEREAS, Hospital desires to affirm its commitment to Prosper to provide health care services to low-income individuals who are neither entitled to benefits under Title XVIII of the Social Security Act nor eligible for assistance under the State plan of Title XIX under this Act; and

WHEREAS, Prosper agrees to accept such commitment on behalf of the citizens of Prosper, Texas.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, it is mutually agreed and covenanted, by and between the parties to this Agreement, as follows:

1. Commitment of Hospital to Provide Care to the Indigent, Uninsured, and Underinsured.

During the term of this Agreement, Hospital agrees to continue its historic commitment to the provision of healthcare to indigent, uninsured and underinsured residents of the State of Texas, including low-income residents who do not qualify for Medicaid or Medicare. In any event, Hospital will assure that all patients will receive necessary care, as required by law, regardless of ability to pay.

2. Acceptance and Acknowledgements of Town of Prosper.

- a. Prosper accepts the commitment of Hospital set forth above;
- b. Prosper acknowledges that Hospital's commitment to provide healthcare to indigent, uninsured and underinsured residents of the State of Texas extends back to the date that Hospital opened in 2023; and
- c. Prosper shall provide to Hospital the name, title, email address, and phone number of a government official who can certify the status of this Agreement. The Health Resources and Services Administration's Office of Pharmacy Affairs (OPA) may send to the government official an email asking the government official to certify the status of this Agreement. Prosper will ensure that the government official responds to the email from OPA by certifying the status of this Agreement within five days of receiving the email.

3. Representations of Hospital.

Hospital represents that as of the date hereof:

- a. Hospital is a corporation duly organized and validly existing in good standing under the laws of the State of Texas with the corporate power and authority to enter into and perform its obligations under this Agreement; and
- b. Hospital is a tax-exempt corporation of under Section 501(c)(3) of the Internal Revenue Code of the United States, as amended, and under applicable laws of the State of Texas.

4. Termination.

This Agreement shall continue until terminated by either party upon not less than sixty (60) days' prior written notice to the other party.

5. Notice.

All notices required or permitted to be given under this Agreement shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

Send to: Town of Prosper, Texas
Attention: Town Manager
250 W. First Street
Prosper, Texas 75078

Send to: Cook Children’s Medical Center - Prosper
Attention: Chief Legal Officer
801 Seventh Avenue,
Fort Worth, Texas 76104

6. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, excepting any conflict of law provisions which would serve to defeat application of the State of Texas substantive law.

7. Entire Agreement

This Agreement supersedes all previous contracts and constitutes the entire agreement of whatsoever kind or nature, existing between or among the parties respecting the subject matter hereof.

IN WITNESS WHEREOF, Hospital and Prosper have executed this Agreement as of the day and year first written above by their duly authorized representatives.

**COOK CHILDREN’S MEDICAL
CENTER - PROSPER**

THE TOWN OF PROSPER, TEXAS

Name:

Name: David F. Bristol

Title:

Title: Mayor

Date:

Date: February 10, 2026



TOWN ATTORNEY

To: Mayor and Town Council

From: Terrence S. Welch, Town Attorney

Through: Mario Canizares, Town Manager

Re: Code of Conduct Ordinance Amendments

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon an ordinance amending Chapter 1, “General Provisions,” of the Code of Ordinances by adding a new Section 1.02.129 relative to a Code of Conduct for Town Councilmembers and amending Section 1.04.003(b) relative to the Code of Conduct for Town Board, Commission and Committee Members.

Description of Agenda Item:

In May of last year, the Town Council adopted a Code of Conduct for Board, Commission and Committee Members. Since that time, in an effort to provide for uniform standards of conduct for both Board, Commission and Committee Members and members of the Town Council, this Ordinance has been prepared. The standards are virtually the same and thus, there is no ambiguity between standards of conduct for Board, Committee and Commission Members on one hand and Town Councilmembers on the other hand.

Budget Impact:

There is no budgetary impact affiliated with this item.

Legal Obligations and Review:

Ordinance has been approved by the Town Attorney.

Attached Documents:

1. Draft Ordinance

Town Staff Recommendation:

Town staff recommend the Town Council approve an ordinance amending Chapter 1, “General Provisions,” of the Code of Ordinances by adding a new Section 1.02.129 relative to a Code of Conduct for Town Councilmembers and amending Section 1.04.003(b) relative to the Code of Conduct for Town Board, Commission and Committee Members.

Proposed Motion:

I move to approve an ordinance amending Chapter 1, “General Provisions,” of the Code of Ordinances by adding a new Section 1.02.129 relative to a Code of Conduct for Town Councilmembers and amending Section 1.04.003(b) relative to the Code of Conduct for Town Board, Commission and Committee Members.

TOWN OF PROSPER, TEXAS

ORDINANCE NO. 2026-__

AN ORDINANCE OF THE TOWN OF PROSPER, TEXAS, AMENDING DIVISION 5, "RULES OF CONDUCT," OF ARTICLE 1.02, "TOWN COUNCIL," OF CHAPTER 1, "GENERAL PROVISIONS," OF THE CODE OF ORDINANCES OF THE TOWN OF PROSPER, TEXAS, BY ADDING A NEW SECTION 1.02.129, "CODE OF CONDUCT FOR TOWN COUNCILMEMBERS"; AMENDING SUBSECTION (b), "CONDUCT OF MEMBERS," OF SECTION 1.04.003, "CODE OF CONDUCT FOR TOWN BOARD, COMMISSION AND COMMITTEE MEMBERS," OF DIVISION 1, "GENERALLY," OF ARTICLE 1.04, "BOARDS, COMMISSIONS AND COMMITTEES," OF CHAPTER 1, "GENERAL PROVISIONS," OF THE CODE OF ORDINANCES OF THE TOWN OF PROSPER, TEXAS, BY CLARIFYING SAID CODE OF CONDUCT AND BRINGING IT INTO CONFORMITY WITH THE TOWN COUNCIL'S CODE OF CONDUCT; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Prosper, Texas ("Town"), previously has adopted a Code of Ethics for Town councilmembers as well as board, commission and committee members, among others; and

WHEREAS, the Code of Ethics generally requires that all public officials, officers and employees of the Town, and all members of Town-appointed boards, commissions and committees, be independent, impartial and responsible only to the people of the Town; and

WHEREAS, the Code of Ethics generally does not address meeting protocols related to behavior of Town Councilmembers and members of boards, commissions and committees, and it is the desire of the Town Council to do so; and

WHEREAS, on or about May 27, 2025, in Ordinance No. 2025-19, the Town Council adopted a Code of Conduct for all members of Town boards, commissions and committees; and

WHEREAS, the Town Council believes that a Code of Conduct is appropriate for members of the Town Council as well, and further, the Town Council desires to ensure that any Code of Conduct it adopts is congruent with the Code of Conduct for the members of Town boards, commissions and committees, thus providing clear guidance to all elected or appointed members who hold Town offices; and

WHEREAS, the Town Council has further determined that a uniform Code of Conduct is in the best interests of the Town and the members of the Town Council as well as the members of all Town boards, commissions and committees.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, THAT:

SECTION 1

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2

From and after the effective date of this Ordinance, Division 5, "Rules of Conduct," of Article 1.02, "Town Council," of Chapter 1, "General Provisions," of the Code of Ordinances of the Town of Prosper, Texas, is hereby amended by adding a new Section 1.02.129, "Code of Conduct for Town Councilmembers," to read as follows:

"ARTICLE 1.02 TOWN COUNCIL

* * *

§ 1.02.129. **Code of Conduct for Town Councilmembers.**

All Members of the Town Council:

- (1) shall treat Town residents, Town staff, members of the public, and one another with dignity and respect at all times;
- (2) shall not engage in any form of abuse, harassment, discrimination, intimidation, the use of indecent or insulting words or expressions toward another Town Councilmember, staff member or member of the public;
- (3) shall assist in preserving order and decorum and shall neither by conversation nor otherwise delay or interrupt the proceedings nor refuse to obey the orders of the presiding officer or the rules of the Town Council;
- (4) shall confine discussion to the question under debate, avoid discussion of personalities and indecorous language, and refrain from personal attacks and/or verbal abuse;
- (5) when desiring to question Town administrative staff, shall address questions to the Town Manager who shall be entitled either to answer the inquiries or to designate some member of Town staff for that purpose;
- (6) shall neither berate nor admonish Town staff members;
- (7) when recognized by the presiding officer, shall not be interrupted while speaking unless called to order by the presiding officer, unless a point of order is raised by another Town Councilmember, or unless the speaker chooses to yield to questions from another Town Councilmember;
- (8) shall cease speaking immediately if called to order by the presiding officer and shall not continue speaking until the question of order is determined. If ruled to be in order, the Town Councilmember shall be permitted to proceed. If ruled not to be in order, the Town Councilmember shall remain silent or make additional remarks to comply with rules of the Town Council;
- (9) shall confine questions to the particular matters before the Town Council and in debate shall confine their remarks to the issues before the Town Council; and

- (10) may be subject to removal if they violate any federal or state law or Town ordinance.

§ 1.02.130 through § 1.02.160. (Reserved)."

SECTION 3

From and after the effective date of this Ordinance, Subsection (b), "Conduct of Members," of Section 1.04.003, "Code of Conduct for Town Board, Commission and Committee Members," of Division 1, "Generally," of Article 1.04, "Boards, Commissions and Committees," of Chapter 1, "General Provisions," of the Code of Ordinances of the Town of Prosper, Texas, is hereby amended to read as follows:

"ARTICLE 1.04 BOARDS, COMMISSIONS AND COMMITTEES

* * *

Sec. 1.04.003 Code of Conduct for Town Board, Commission and Committee Members.

* * *

(b) **Conduct of Members.** All Members:

- (1) shall treat Town residents, Town staff, members of the public, and one another with dignity and respect at all times;
- (2) shall not engage in any form of abuse, harassment, discrimination, intimidation, the use of indecent or insulting words or expressions toward another Member, staff member or member of the public;
- (3) shall assist in preserving order and decorum and shall neither by conversation nor otherwise delay or interrupt the proceedings nor refuse to obey the orders of the presiding officer or the rules of the Town
- (4) shall confine discussion to the question under debate, avoid discussion of personalities and indecorous language, and refrain from personal attacks and/or verbal abuse;
- (5) shall neither berate nor admonish Town staff members;
- (6) when recognized by the presiding officer, shall not be interrupted while speaking unless called to order by the presiding officer, unless a point of order is raised by another Member, or unless the speaker chooses to yield to questions from another Member;
- (7) shall cease speaking immediately if called to order by the presiding officer and shall not continue speaking until the question of order is determined. If ruled to be in order, the Member shall be permitted to proceed. If ruled not to be in order, the

Member shall remain silent or make additional remarks to comply with rules of the Town;

- (8) shall confine questions to the particular matters before the body and in debate shall confine their remarks to the issues before the body; and
- (9) may be subject to removal if they violate any federal or state law or Town ordinance.”

SECTION 5

All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict. Any remaining portion of conflicting ordinances shall remain in full force and effect.

SECTION 6

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason, held to be unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Town of Prosper hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases be declared unconstitutional.

SECTION 7

This Ordinance shall become effective after its passage.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, ON THIS 10TH DAY OF MARCH, 2026.

APPROVED:

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Terrence S. Welch, Town Attorney



TOWN ATTORNEY

To: Mayor and Town Council

From: Terrence S. Welch, Town Attorney

Through: Mario Canizares, Town Manager

Re: Noise and Nuisance Ordinance Amendments

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon an ordinance amending Section 8.02.002, “Prohibited,” of Chapter 8, “Offenses and Nuisances,” by extending nuisance control areas 5,000 feet into the Town’s Extraterritorial Jurisdiction, pursuant to state law; and repealing existing Article 8.06, “Noise Control,” of Chapter 8, “Offenses and Nuisances,” and replacing it with a new Article 8.06, “Noise Control.”

Description of Agenda Item:

Pursuant to Section 217.022 of the Texas Local Government Code, the governing body of a municipality may undertake measures to address any nuisance within the limits of the municipality. Additionally, pursuant to Section 217.042 of the Texas Local Government Code, the Town, as a home-rule municipality, may define and prohibit any nuisance within the limits of the Town and within five thousand feet (5,000’) outside the corporate limits of the municipality and further, may enforce all ordinances necessary to prevent and summarily abate and remove a declared nuisance. The amendment to Section 8.02.002 accomplishes this by including the foregoing 5,000-foot area as an area where the Town may regulate nuisances.

The second amendment in effect is a rewrite of the Noise Control provisions contained in Article 8.06, “Noise Control.” These revisions are necessary due to recent judicial interpretations of noise regulations. The terminology contained in Article 8.06 has been updated to remove the term “Town Administrator.” A section-by-section review of the minor revisions to Article 8.06 follows:

- § 8.06.004 **Definitions.** – *Quiet zone* – Amendment is made to clarify that certain quiet zones within Town limits are to be designated by the Town Council via ordinance, so as to ensure that the prohibitions related to “quiet zones” are not vague. This updates the noise ordinance to be in accord with recent judicial interpretations.
- § 8.06.005(a) **Specific noise disturbance prohibited.** Amendment is made to the Town’s noise ordinance to define violations of the noise ordinance as public nuisances. This authority is provided for in Tex. Loc. Gov’t Code § 217.022 for the Town to define and enforce nuisances. Furthermore, providing that the violation constitutes a nuisance, in conjunction with the amendment to Section 8.02.002 above, allows for enforcement within 5,000 feet of Town limits.

- § 8.06.005(b) – removes a reference to activities which are defined as noise disturbances *per se*. This updates the noise ordinance to be in accord with recent judicial interpretations.
- § 8.06.005(b)(2)(A) – removes a reference to use of radios, instruments and amplifiers as activities which are defined as noise disturbances *per se* within certain hours. This updates the noise ordinance to be in accord with recent judicial interpretations. Such action is still prohibited if it meets the definition of a “noise disturbance.”
- § 8.06.005(b)(6)(A) – removes a reference to operation of construction equipment as noise disturbances *per se* within certain hours. This updates the noise ordinance to be in accord with recent judicial interpretations. Such action is still prohibited if it meets the definition of a “noise disturbance.”
- § 8.06.005(b)(7)(A) – removes a reference to operation of batch plants within certain hours as a nuisance *per se*. This updates the noise ordinance to be in accord with recent judicial interpretations. Such actions may still be prohibited if they meet the definition of a “noise disturbance.”
- § 8.06.005(b)(8)(A) – removes a reference to operation of power equipment within certain hours as a nuisance *per se*. This updates the noise ordinance to be in accord with recent judicial interpretations. Such actions may still be prohibited if they meet the definition of a “noise disturbance.”
- § 8.06.005(b)(9)(A) – removes a reference to repairing and testing of motor vehicles within certain hours to be a nuisance *per se*. This updates the noise ordinance to be in accord with recent judicial interpretations. Such actions may still be prohibited if they meet the definition of a “noise disturbance.”
- § 8.06.005(b)(10)(A) – removes a reference to running of motor vehicles and motorcycles within certain hours to be a nuisance *per se*. This updates the noise ordinance to be in accord with recent judicial interpretations. Such actions may still be prohibited if they meet the definition of a “noise disturbance.”
- § 8.06.005(b)(10) – removes this section as superfluous to § 8.06.005(a) and to avoid any potential conflict with state law limitations on the Town’s regulation of fireworks extending within 5,000 feet of Town limits. Furthermore, fireworks are regulated elsewhere in the Code of Ordinances and removal adds to clarity and prevents potential internal conflict within the Code of Ordinances. See Art. 5.04 Code of Ordinances.
- § 8.06.005(b)(13)(A) – removes a reference to flying of motor aircraft by internal combustion engine to be a nuisance *per se* within certain hours. This updates the noise ordinance to be in accord with recent judicial interpretations. Such actions may still be prohibited if they meet the definition of a “noise disturbance.”

Budget Impact:

There is no budgetary impact affiliated with this item.

Legal Obligations and Review:

Ordinance has been approved by the Town Attorney.

Attached Documents:

1. Draft Ordinance

Town Staff Recommendation:

Town staff recommend the Town Council approve an ordinance amending Section 8.02.002, "Prohibited," of Chapter 8, "Offenses and Nuisances," by extending nuisance control areas 5,000 feet into the Town's Extraterritorial Jurisdiction, pursuant to state law; and repealing existing Article 8.06, "Noise Control," of Chapter 8, "Offenses and Nuisances," and replacing it with a new Article 8.06, "Noise Control."

Proposed Motion:

I move to approve an ordinance amending Section 8.02.002, "Prohibited," of Chapter 8, "Offenses and Nuisances," by extending nuisance control areas 5,000 feet into the Town's Extraterritorial Jurisdiction, pursuant to state law; and repealing existing Article 8.06, "Noise Control," of Chapter 8, "Offenses and Nuisances," and replacing it with a new Article 8.06, "Noise Control."

TOWN OF PROSPER, TEXAS

ORDINANCE NO. 2026-__

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, AMENDING SECTION 8.02.002, "PROHIBITED," OF ARTICLE 8.02, "NUISANCES," OF CHAPTER 8, "OFFENSES AND NUISANCES," OF THE TOWN'S CODE OF ORDINANCES BY ADDING A PROVISION THAT AN AREA WITHIN 5,000 FEET OF THE TOWN'S CORPORATE LIMITS MAY BE SUBJECT TO REGULATION; REPEALING EXISTING ARTICLE 8.06 "NOISE CONTROL," OF CHAPTER 8, "OFFENSES AND NUISANCES," OF THE TOWN'S CODE OF ORDINANCES IN ITS ENTIRETY AND REPLACING IT WITH A NEW ARTICLE 8.06, "NOISE CONTROL," BY UPDATING PROVISIONS THEREOF TO BE IN ACCORD WITH RECENT JUDICIAL INTERPRETATIONS; MAKING FINDINGS; PROVIDING FOR A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; PROVIDING FOR REPEALING, SAVINGS, AND SEVERABILITY CLAUSES; PROVIDING FOR AN EFFECTIVE DATE OF THIS ORDINANCE AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

WHEREAS, the Town of Prosper, Texas ("Town"), is a home-rule municipality under the laws of the State of Texas and is duly incorporated; and

WHEREAS, the Town possesses the full power of self-government, as authorized by the Texas Constitution and the Town's duly adopted Charter; and

WHEREAS, as an additional means to address noise-related complaints, it is necessary to amend the Town's current noise ordinance and nuisance provisions as set forth in this Ordinance; and

WHEREAS, pursuant to Texas Local Government Code Section 217.022, the governing body of a municipality may undertake measures to address any nuisance within the limits of the municipality; and

WHEREAS, the Town, as a home-rule municipality, pursuant to Texas Local Government Code Section 217.042, may define and prohibit any nuisance within the limits of the municipality and within five thousand feet (5,000') outside the corporate limits of the municipality and further, may enforce all ordinances necessary to prevent and summarily abate and remove a declared nuisance; and

WHEREAS, the Town Council has determined that this Ordinance is in the best interests of the Town and the health, safety and welfare of its residents.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, THAT:

SECTION 1

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2

From and after the effective date of this Ordinance, Section 8.02.02, "Prohibited," of Article 8.02, "Nuisances," of Chapter 8, "Offenses and Nuisances," of the Town's Code of Ordinances is hereby amended to read as follows:

"§ 8.02.002. Prohibited.

No nuisance shall be created, maintained, or allowed to exist anywhere within the town limits. Unless specifically stated otherwise, any nuisance as defined within this Chapter is hereby declared a nuisance if it exists within the corporate limits of the town or within 5,000 feet of such limits. It shall further be unlawful for a person who owns, manages, or controls a property to allow such property to be used in a manner that violates this section."

SECTION 3

From and after the effective date of this Ordinance, existing Article 8.06, "Noise Control," of Chapter 8, "Offenses and Nuisances," of the Town's Code of Ordinances is hereby repealed in its entirety and replaced with a new Article 8.06, "Noise Control," to read as follows:

"§ 8.06.001. Purpose/findings incorporated.

The purpose of this article is to make it unlawful for any person or entity to make, cause to be made, or allow any unreasonably loud and disturbing noise of such a character, intensity and duration as to be detrimental or offensive to the ordinary sensibilities of the citizens of the town and/or which renders the enjoyment of life, health or property uncomfortable or interferes with the public peace and comfort.

§ 8.06.002. Compliance by contractors and proposed developments.

It is the policy of the town that all contractors and subcontractors be included as those required to comply with the provisions and intent of this article in their operations.

§ 8.06.003. Town contracts to be conditioned upon compliance.

Any written agreement, purchase order, or instrument committing an expenditure of town funds in return for work, labor, services, supplies, equipment, materials, or any combination of the foregoing, shall be subject to the provisions of this article, and the person or entity entering into the contract must operate, construct, conduct, or manufacture its business without violating this article.

§ 8.06.004. Definitions.

- (a) For the purposes of this article, the following words have the meanings hereinafter designated:

Construction means any site preparation, assembly, erection, substantial repair, alteration, or similar action (excluding demolition) of public or private right-of-way surfaces, structures, utilities or similar property.

Demolition means any dismantling, intentional destruction or removal of public or private right-of-way surfaces, structures, utilities or similar property.

Device means any mechanism which is intended to produce or which actually produces, noise when operated or handled.

Emergency vehicle means a motor vehicle used in response to a public calamity or to protect persons or property from an imminent exposure to danger.

Motor vehicle means any vehicle propelled by mechanical power, such as, but not limited to, any passenger car, truck, truck-trailer, semitrailer, camper, motorcycle, minibike, go-cart, dune buggy or racing vehicle.

Noise disturbance means any sound which annoys or disturbs, or which causes or tends to cause an adverse psychological or physiological effect upon the sensibilities of a reasonable, prudent, adult person; any unreasonably loud or disturbing noise which is offensive to the sensibilities of a reasonable, prudent, adult person; and any unreasonably loud or disturbing noise which renders the enjoyment of life or property uncomfortable or interferes with public peace and comfort.

Noise disturbance per se means not requiring extraneous evidence or support to establish the existence of a noise disturbance.

Nonresidential district means any district not classified by the town's Zoning Ordinance, as amended, as containing residential homes, apartments or condominiums.

Person means any individual, firm, association, partnership, corporation or any other entity, public or private.

Power equipment means any motorized electric or fuel-powered equipment, including, but not limited to, tractors, lawnmowers and all other motorized electric or fuel powered equipment.

Powered model vehicle means any self-propelled airborne, waterborne, or land borne plane, vessel, or vehicle, which is not designed to carry persons, including, but not limited to, any model airplane, boat, car or rocket.

Property boundary means an imaginary line exterior to any enclosed structure, at the ground surface and its vertical extension, which separates the real property owned by one person from that owned by another person.

Quiet zone means property on which a school, hospital, clinic, library or other noise disturbance sensitive facility, as determined by the town and declared via an ordinance of the town, is operated.

Residential district means any district classified by the town's Zoning Ordinance, as amended, as containing residential homes, apartments or condominiums.

Within 500 feet of any residence or quiet zone means the shorter of the following two distances, measured in a direct line:

- (1) From the property line of the source of the subject noise disturbance nearest the property line of the subject residence or quiet zone to the aforementioned property line of the subject residence or quiet zone; or
 - (2) From the source of the subject noise disturbance to the property line of the subject residence or quiet zone.
- (b) All terminology used in this article and not specifically defined above, shall retain its meaning in conformance with applicable publications of the American National Standards Institute (ANSI) or its successor body and/or the latest volume of Webster's Collegiate Dictionary.

§ 8.06.005. Specific noise disturbance prohibited.

- (a) No person shall allow, make or cause to be made any unreasonably loud or disturbing noise in the town which is offensive to the sensibilities of a reasonable, prudent adult person, renders the enjoyment of life or property uncomfortable, interferes with public peace and comfort, or causes a noise disturbance as defined herein. Such action is hereby declared to be a public nuisance and a violation of this article.
- (b) The following list includes, but is not limited to, activities which can create unreasonably loud or disturbing noises in violation of this article, unless an exemption exists pursuant to § 8.06.006 or a permit of variance was first obtained as provided in § 8.06.007:
 - (1) Animals. Owing, keeping, possessing, or harboring any animal or animals which, by frequent or habitual noisemaking, unreasonably disturbs or interferes with the peace, comfort or repose of the citizens of the town, or causes a noise disturbance as defined herein. The provisions of this article shall apply to all private or public facilities including any animal shelters or commercial kennels which hold or treat animals.
 - (2) Radios, television sets, musical instruments, loudspeaking amplifiers and similar devices.
 - (A) The using, operating or permitting to be played, used or operated any sound production or reproduction device, radio, receiving set, musical instrument, drums, phonograph, television set, loudspeakers and sound amplifiers or other machine or device for the producing or reproducing of sound within a residential district or quiet zone, or within 500 feet of any residence or quiet zone, in such a manner as to cause a noise disturbance.
 - (B) The using, operating or permitting to be played, used or operated any sound production or reproduction device, radio, receiving set, musical instrument, drums, phonograph, television set, loudspeakers and sound amplifiers or other machine or device for the producing or reproducing of sound within a nonresidential area in such a manner as to cause a noise disturbance.
 - (C) The using, operating or permitting to be played, used or operated any sound production or reproduction device, radio, receiving set, musical instrument, drums, phonograph, television set, loudspeakers and sound

amplifiers or other machine or device that produces or reproduces sound for the purpose of attracting attention to any cause or demonstration, or to any performance, show, sale or display of merchandise so as to attract attention to such cause, demonstration or premises when such use is done in a manner which causes a noise disturbance.

- (D) The using, operating or permitting to be played, used or operated any sound production or reproduction device, radio, receiving set, musical instrument, drums, phonograph, television set, loudspeakers and sound amplifiers or other machine or device on trucks or other moving vehicles for the purpose of attracting attention to any cause or demonstration, or for advertising any show, sale or display of merchandise when such use is done in a manner which causes a noise disturbance.

(3) Vehicular sound amplification systems.

Operating or controlling a motor vehicle in either a public or private place within the town and operating any sound device which is part of, or connected to, any radio, stereo receiver, compact disc player, cassette tape player, or other similar device in the motor vehicle, in such a manner that, when operated, it is audible at a distance of 30 feet, or when operated, causes a person to be aware of the vibration accompanying the sound at a distance of 30 feet from the source when such operation is done in a manner which causes a noise disturbance.

- (4) Yelling, shouting, etc. The yelling, shouting, crying, hooting, whistling or singing of peddlers, hawkers or any other person within the town in such a manner as to cause a noise disturbance.

- (5) Loading operations. The loading or unloading of any vehicle within the town in such a manner as to cause a noise disturbance.

(6) Construction/maintenance work.

- (A) Operating or permitting to be operated any equipment used in construction, maintenance, repair, alteration or demolition work on buildings, structures, streets, alleys, lawns, golf courses or appurtenances thereto and/or the erection, including excavation, demolition, alteration or repair of any building within a residential district or quiet zone, or within 500 feet of any residence or quiet zone, in such a manner as to cause a noise disturbance. A noise disturbance is not created by residential lawn maintenance or in the event emergency repairs are required on personal property.

- (B) Operating or permitting to be operated any equipment used in construction, maintenance, repair, alteration or demolition work on buildings, structures, streets, alleys, lawns, golf courses or appurtenances thereto within a non-residential district in such a manner as to cause a noise disturbance.

(7) Batch plants.

- (A) Operating or permitting to be operated any gravel pit, rock crusher or other machinery, equipment and/or motor vehicle used for the separation,

gathering, grading, loading or unloading of sand, rock or gravel and/or any other machinery, equipment and/or motor vehicle used in the production of concrete or asphalt, within a residential district or quiet zone, or within 500 feet of any residence or quiet zone, in such a manner as to cause a noise disturbance.

- (B) Operating or permitting to be operated any gravel pit, rock crusher or other machinery, equipment and/or motor vehicle used for the separation, gathering, grading, loading or unloading of sand, rock or gravel and/or any other machinery, equipment and/or motor vehicle used in the production of concrete or asphalt within a nonresidential district in such a manner as to cause a noise disturbance.

(8) Power equipment.

- (A) Operating or permitting to be operated any power equipment (as defined herein and excluding construction equipment which is specifically regulated by subsection (6), above) within a residential district or quiet zone, or within 500 feet of any residence or quiet zone, in such a manner as to cause a noise disturbance.
- (B) Operating or permitting to be operated any power equipment (as defined herein and excluding construction equipment which is specifically regulated by subsection (6), above) within a nonresidential district in such a manner as to cause a noise disturbance.

(9) Motor vehicles-repairs or testing.

- (A) The repairing, rebuilding, modifying or testing of any motor vehicle (including off-road vehicles) or watercraft within a residential district or quiet zone, or within 500 feet of any residence or quiet zone, in such a manner as to cause a noise disturbance.
- (B) The repairing, rebuilding, modifying or testing of any motor vehicle (including off-road vehicles) or watercraft within a nonresidential district in such a manner as to cause a noise disturbance.

(10) Motor vehicles-running loud or out of repair.

- (A) The use of any automobile, motorcycle or other vehicle so out of repair, so modified, or so loaded, which emits or creates loud or unnecessary grading, grinding or rasping noise, the excessive spinning of the tires, or the racing of a motor vehicle engine unnecessarily within a residential district or quiet zone, or within 500 feet of any residence or quiet zone, in such a manner as to cause a noise disturbance.
- (B) The use of any automobile, motorcycle or other vehicle so out of repair, so modified, or so loaded, which emits or creates loud or unnecessary grading, grinding or rasping noise, the excessive spinning of the tires, or the racing of a motor vehicle engine unnecessarily within a nonresidential district in such a manner as to cause a noise disturbance.

- (11) Motor vehicles-exhaust. The discharge into the open air of the exhaust of any motor vehicle in such a manner as to cause a noise disturbance, except as discharged through a muffler or other device which effectively and efficiently prevents loud and unusual noises and annoying smoke.
- (12) Powered model mechanical devices.
- (A) The flying of model aircraft powered by internal combustion engines, whether tethered or not, or the firing or operating of model rocket vehicles or other similar noise-producing devices, within a residential district or quiet zone, or within 500 feet of any residence or quiet zone, in such a manner as to cause a noise disturbance.
- (B) The flying of model aircraft powered by internal combustion engines, whether tethered or not, or the firing or operating of model rocket vehicles or other similar noise-producing devices within a nonresidential district in such a manner as to cause a noise disturbance.
- (13) Refuse compacting vehicles. Operating or permitting to be operated any refuse compacting, processing or collection vehicle or parking lot sweeper in any residential district or quiet zone, or within 500 feet of any residence or quiet zone in such a manner as to cause a noise disturbance.
- (14) Quiet zone. Creating a noise disturbance on any street adjacent to any school, hospital, clinic, library or other noise sensitive facility, as determined by the town.
- (15) Vibration. Using or causing the use of any device that creates any ground vibration which is perceptible without instruments at any point on or beyond the property boundary of the source.
- (16) Stationary nonemergency signaling devices. Sounding or permitting the sounding of any electronically activated or amplified signal from any stationary bell, chime, siren, whistle, or similar device, intended primarily for nonemergency purposes, from any place for more than five minutes during any consecutive sixty-minute period which causes a noise disturbance. Except such signaling device is allowed if used as a danger signal and/or as required by law if vehicle is backing, starting or turning in such a way as to likely cause a collision.

§ 8.06.006. Exemptions.

The following sources of potential noise disturbances shall be exempt from the regulations of this article:

- (1) Emergency safety signals, storm warning sirens or horns and the testing of such equipment, emergency vehicle sirens or horns used when responding to an emergency, and emergency pressure relief valves.
- (2) Sound caused in the performance of emergency or public service work, including police, fire and public utility operations, acting in the performance of lawful duties to protect the health, safety or welfare of the community.

- (3) Sounds caused by natural phenomena.
- (4) Activities conducted on public parks and playgrounds which are approved, sponsored or sanctioned by the town. Activities conducted on public or private school grounds including, but not limited to, school athletic and school entertainment events which are approved, sponsored or sanctioned by the school. Activities related to the maintenance of a public or private golf course, but not earlier than 6:00 a.m.

§ 8.06.007. Permits of variance.

- (a) The Town Manager, or designated representative, is authorized to grant permits for relief of any provision in this article on the basis of undue hardship in cases where:
 - (1) The sound source will be of short duration and the activity cannot be conducted in a manner as to comply with this article;
 - (2) Additional time is necessary for the applicant to alter or modify their activity or operation to comply with this article; or
 - (3) No reasonable alternative is available to the applicant.
- (b) An automatic variance will be granted without the payment of permit fees for the purpose of conducting parades or other public events provided that any noise disturbance created by such activity will be abated when such request is made by the Town Manager, or designated representative.
- (c) The Town Manager, or designated representative, may prescribe any reasonable conditions or requirements deemed necessary to minimize adverse effects and may suspend any permit issued for violating any provisions prescribed in the permit of variance.
- (d) A fee of \$100.00 shall be charged to each applicant for processing permit applications.

§ 8.06.008. Appeals.

- (a) Any applicant who has been denied a permit of variance or any permittee whose permit has been suspended, shall have the right to a hearing before the Town Council.
- (b) Requests for a hearing shall be made in writing and received by the Town Manager, or designated representative, within ten days of the date of the denial or the date of the notice of the suspension. The Town Manager may review the appeal at a staff level and has the authority to reject the action of the designated representative and order that a permit be granted or to reinstate a suspended permit. However, should the Town Manager uphold the denial or suspension of a permit, he/she shall, or designated representative shall, schedule a hearing before the Town Council within 30 days of receipt of the request.
- (c) The Town Council shall have the authority to review all pertinent files and information regarding the applicant/permittee which are in the custody of the Town Manager, or designated representative. Additionally, the Town Council shall have the authority to accept written and verbal testimony from the Town Manager, designated representative, any appropriate town staff member, applicant/permittee and interested citizens. The Town

Council shall also have the authority to place time restrictions on the testimony to be given at the hearing.

- (d) The Town Council shall have the authority to assess whether the Town Manager, or designated representative, acted properly within the powers granted under this article in the denial or suspension of a permit. A majority vote of a quorum of the Town Council shall determine whether to uphold or reject the Town Manager's, or designated representative's action. Upholding the action of the Town Manager, or designated representative, shall affirm the denial or suspension. Rejection of the Town Manager's, or designated representative's, action shall automatically grant a permit or reinstate a suspended permit. The decision of the Town Council shall be final.
- (e) No person whose permit has been denied or suspended, shall create or allow the creation of the noise disturbance in dispute prior to final determination by the Town Council.

§ 8.06.009. Penalty.

Any person, firm or corporation violating any provision of this article, as amended, shall be deemed guilty of a misdemeanor, and upon conviction therefor, shall be fined in a sum not to exceed \$500.00, and each and every day such violation continues shall be considered a separate offense; provided, however, such penal provision shall not preclude a suit to enjoin such violation."

SECTION 4

Should any section, subsection, sentence, clause, or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The Town hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases be declared unconstitutional or invalid.

SECTION 5

All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution from being commenced for any violation if occurring prior to the repeal of the Ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 6

Any person, firm, corporation, or business entity violating this Ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine not to exceed the sum of five hundred dollars (\$500.00), and each and every day such violation shall continue shall constitute a separate offense.

SECTION 7

This Ordinance shall become effective after its adoption and publication as required by law.

DULY PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, ON THIS 10TH DAY OF MARCH, 2026.

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Terrence S. Welch, Town Attorney



COMMUNITY ENGAGEMENT & EXPERIENCES

To: Mayor and Town Council

From: Kaylynn Stone, Special Events Manager

**Through: Mario Canizares, Town Manager
Robyn Battle, Executive Director**

Re: Pride in the Sky Service Agreement

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon authorizing the Town Manager to execute a Service Agreement between the Town of Prosper and Cedarbrook Media for the annual Pride in the Sky event.

Description of Agenda Item:

This item is for the Council to consider approval of a Service Agreement between the Town of Prosper and Cedarbrook Media for the planning, production, and management of the 2026 Pride in the Sky event, scheduled for July 2, 2026, from 5:00 p.m. to 10:00 p.m. Under the agreement, Cedarbrook Media will oversee all event operations, including entertainment programming, vendor coordination, sponsorship management, logistics, and on-site event supervision. The Town will serve as the Title Sponsor and will provide a fireworks display valued between \$24,000 and \$30,000, along with in-kind services estimated at approximately \$80,800. These services include public safety support, public works assistance, marketing, and event permitting.

Cedarbrook Media is required to submit a Special Event Permit application no later than March 1, 2026. A detailed run-of-show, any required health permits, and an updated event website are due by June 1, 2026. Cedarbrook Media will retain all sponsorship revenue and will provide a Certificate of Insurance (COI) indicating sufficient indemnification and insurance coverage for the Town no later than June 1, 2026.

Budget Impact:

Approval of this item will authorize Cedarbrook Media to host the 2026 Pride in the Sky event on behalf of the Town of Prosper, including the provision of in-kind services with an estimated total value of \$80,800. These in-kind services include public safety staffing, public works support, parks and recreation services, permitting and inspection, marketing and communications assistance, and legal services. Funding for these costs is expected to be accommodated within the Town's adopted budget for event sponsorships and normal departmental operations. No additional budget appropriation is required beyond currently budgeted amounts. Funding for the fireworks display will be available through the Special Event Account (16063013-58600)

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Pride in the Sky Service Agreement

Town Staff Recommendation:

Town staff recommends that the Town Council authorize the Town Manager to execute a Service Agreement between the Town of Prosper and Cedarbrook Media for the annual Pride in the Sky event.

Proposed Motion:

I move to authorize the Town Manager to execute a Service Agreement between the Town of Prosper and Cedarbrook Media for the annual Pride in the Sky event.

SERVICE AGREEMENT

THIS SERVICE AGREEMENT (“Agreement”) is by and between the TOWN OF PROSPER, TEXAS, a Texas home rule municipality (hereinafter referred to as the “Town”) and CEDARBROOK MEDIA GROUP, LLC, a Texas limited liability company (hereinafter referred to as “Cedarbrook”).

Recitals

WHEREAS, in the past, the Town and Cedarbrook have collaborated to plan, organize, operate, and manage the annual Independence Day celebration, otherwise known as “Pride in the Sky”; and,

WHEREAS, the Town again desires to hold an annual Independence Day celebration for the benefit and enjoyment of its residents.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the Town and Cedarbrook agree to the following:

1. Authority. The Town hereby authorizes Cedarbrook to plan, organize, operate and manage the Pride in the Sky event at Frontier Park on Thursday, **July 2, 2026**, subject to the terms and conditions contained herein.

2. Scope of Work. Except as set forth on **Exhibit A**, Cedarbrook at its own cost and expense will furnish all supplies, staff, volunteers, vendors, and incidentals required to plan, organize, and operate Pride in the Sky, including on-site management of the event.

3. Licenses, Permits, Fees, and Assessments. Cedarbrook will submit a Special Event Permit application and such other licenses, permits, and approvals as may be required by law for the performance of this Agreement. The Special Event Permit application shall be submitted no later than **April 1, 2026**, and shall include an event site map designating the location of the stage, Kids Zone, vendors, food trucks, and restrooms. The Town will provide Cedarbrook with a site map indicating the fireworks zone no later than March 15, 2026.

4. Entertainment. Cedarbrook will provide complete Event Production services, including stage, lights, sound, emcee, generators, supplies and incidentals for all live entertainment. Cedarbrook shall book live entertainment for Pride in the Sky. Entertainment shall include the following:

- (a) Live music artist(s) to perform from 5:00 p.m. to the start of the fireworks show.
- (b) Audio equipment shall be sufficient to ensure music, stage announcements, and emergency announcements are audible in the spectator area ranging from the main stage to the soccer complex restrooms.
- (c) Kids Zone with a minimum of twelve (12) inflatables and/or other child-appropriate activities from 5:00 p.m. to the start of the fireworks show.

5. Alcoholic Beverage Sales.

(a) TABC Permit(s). Alcohol may be sold at the event upon the mutual agreement of both parties. If alcoholic beverages are to be sold at the event, Cedarbrook shall be solely responsible for ensuring that all alcohol vendors for the event have obtained the appropriate Texas Alcoholic Beverage Commission (TABC) permits no later than **June 1, 2026.**

(b) Standard of Service. In the event alcoholic beverages are served, Cedarbrook, and any subcontractors, lessees, employees or others retained by Cedarbrook to provide alcoholic beverage sales at Pride in the Sky shall operate in a first-class quality manner and consistent with the highest standard of service as solely determined by the Town.

(c) Management and Operation. Cedarbrook shall engage fully qualified, experienced, and competent employees to manage or operate alcoholic beverage sales, including staff and/or volunteers to manage gate entrances and conduct bag checks for the fenced area at Pride in the Sky. Cedarbrook shall ensure that all alcoholic beverages are served in full compliance with the Texas Alcoholic Beverage Code and all applicable TABC rules and regulations. Alcohol sales shall conclude 1 hour prior to the scheduled conclusion of the event.

(d) Equipment and Supplies. Cedarbrook, including any subcontractors, lessees, employees, or others engaged by Cedarbrook, will be responsible for the efficient sale of alcoholic beverages at Pride in the Sky. Cedarbrook will secure fencing per TABC requirements. Alcohol sales shall include standard beer brands.

(e) Maintenance by Cedarbrook. Cedarbrook, through the engagement of subcontractors, lessees, employees, or others, shall endeavor, at its own expense, to maintain the alcoholic beverage sales area and keep any surrounding areas or grounds free from litter and refuse.

6. VIP Parking. Cedarbrook will provide a designated VIP parking area with a minimum of 10 spaces for Town use. The Town will receive ten (10) complimentary VIP parking passes for Town use. Cedarbrook will distribute parking passes to the Town no later than **June 25, 2026.**

7. Event Operations. Cedarbrook will provide staff to monitor and manage set-up, production, and breakdown of all event venue spaces. Cedarbrook will create a comprehensive run-of-show (ROS) outline and ensure the event runs according to the designated ROS. A traffic/parking plan will be developed by Cedarbrook and the Town. Cedarbrook will provide the Town with the number and location of barricades to be provided by the Town. A copy of the ROS and the number of barricades needed will be provided to Town staff no later than **June 1, 2026.**

8. Event Logistics. Cedarbrook shall conduct site visits to the venue as needed and coordinate event logistics with Town's Director of Communications and/or Special Events Manager. Cedarbrook shall secure fifteen (15) portable restrooms and an additional three (3) handicap accessible restrooms, with handwashing station, and will ensure the restrooms are adequately supplied and maintained throughout the event.

9. Promotion and Marketing. Promotion and marketing shall be agreed upon by the Parties and shall be shared through the Town's and Cedarbrook's communication channels. The

cost of all printed signage, including distribution and set up, shall be at Cedarbrook's expense. Cedarbrook's Pride in the Sky event website shall be updated with the 2026 event schedule, map, sponsors, vendors and food trucks no later than **June 1, 2026**.

10. Food Sales. Cedarbrook shall manage and secure a minimum of fifteen (15) food trucks for the event. Food trucks must receive the appropriate State and/or Town health permits no later than **June 1, 2026**.

11. Sponsorship Sales and Vendors. The Town of Prosper shall be listed as the Town Sponsor for the event. Cedarbrook may sell additional sponsorships and shall retain all revenue from additional sponsorship sales. Cedarbrook shall manage and secure vendors for the event.

12. Prohibited Items for Sale. No tobacco products, including vapor products, shall be sold at Frontier Park.

13. Compliance with Law. Cedarbrook will perform this Agreement in accordance with all applicable ordinances, resolutions, statutes, rules, regulations, and laws.

14. Nondiscrimination. Cedarbrook agrees not to discriminate against any person or class of persons by reason of gender, color, race, creed, religion, marital status, handicap, ancestry, or national origin in its performance of this Agreement.

15. Non-Disparagement. Neither Cedarbrook nor any of its employees, contractors, agents, or volunteers will engage in any action or practice that disparages or otherwise reflects poorly on the Town or any of its officers or employees.

16. License. The Town grants to Cedarbrook a limited, non-exclusive right to use the Town's name, logo, or slogan ("Marks") solely to promote the Town's sponsorship of Pride in the Sky in conjunction with Cedarbrook's promotions, marketing, solicitations, and advertising. Cedarbrook will not change or alter the Marks in any way, and Cedarbrook is prohibited from transferring, sublicensing, or assigning its rights to use the Marks. In its sole discretion, the Town may require the removal of the Marks at any time from any materials developed or distributed by Cedarbrook or used in connection with Pride in the Sky.

17. Town Recognition. In exchange for the use of the Marks and the Town's contributions as referenced in **Exhibit A**, all signage, marketing materials, and associated advertising shall recognize the Town and its sponsorship of Pride in the Sky with placement of the Marks in a manner commensurate with the Town's Sponsorship level.

18. Charitable Solicitations. Cedarbrook acknowledges that sponsors and residents may not fully understand the Town's role as one of the sponsors of Pride in the Sky. Thus, when soliciting funds or services related to this Agreement, Cedarbrook will notify all sponsors or volunteers that funds and services are not being provided to the Town, except to the extent referenced herein.

19. Relationship of the Parties. Both parties agree they are not engaged in a joint venture, and are not partners, agents, or representatives of each other, and have no legal relationship other than as contracting parties to this Agreement. All individuals provided by or

associated with Cedarbrook who perform services at Pride in the Sky will perform such services at the direction of, under the supervision and control of, and for the benefit of Cedarbrook. Such individuals will not perform such services on behalf of the Town and will not be employees, agents or representatives of the Town. Cedarbrook will be solely responsible for any injuries or damages caused by or to said individuals.

20. Insurance.

(a) Commercial General Liability. Cedarbrook will obtain and maintain for the duration of this Agreement and for at least two years after completion of this Agreement, comprehensive general liability insurance with limits of not less than Two Million and No/100 Dollars (\$2,000,000) for bodily injury and property damages and occurrence; and Four Million and No/100 Dollars (\$4,000,000) total aggregate.

(b) Workers' Compensation. Cedarbrook will also obtain and maintain during the term of this Agreement, workers' compensation insurance within the statutory limits.

(c) Certificates. As evidence of insurance coverage, Cedarbrook will provide the Town with one or more Certificates of Insurance (COI) issued by an insurance carrier reasonably acceptable to the Town. The certificate(s) will contain a 30-day written notice of cancellation to the certificate holder and shall name the Town as an additional insured. Cedarbrook shall provide the required COI no later than **June 1, 2026**.

21. Indemnification. **CEDARBROOK SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE TOWN, INCLUDING ITS TOWN MANAGER, OFFICERS, AGENTS, EMPLOYEES, CONTRACTORS, AND ELECTED OFFICIALS, FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF WHATSOEVER KIND OR CHARACTER, ARISING OUT OF OR IN CONNECTION WITH ITS PERFORMANCE OF THIS AGREEMENT, WHETHER OR NOT CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OF THE OFFICERS, AGENTS, EMPLOYEES, CONTRACTORS, OR ELECTED OFFICIALS OF THE TOWN. CEDARBROOK ASSUMES ALL LIABILITY AND RESPONSIBILITY FOR SUCH CLAIMS OR SUITS. CEDARBROOK LIKEWISE ASSUMES ALL LIABILITY AND RESPONSIBILITY AND WILL INDEMNIFY THE TOWN FOR ANY AND ALL INJURY OR DAMAGE TO TOWN PROPERTY ARISING OUT OF OR IN CONNECTION WITH ITS PERFORMANCE OF THIS AGREEMENT AND ANY AND ALL ACTS OR OMISSIONS OF CEDARBROOK, ITS OFFICERS, AGENTS, EMPLOYEES, CONTRACTORS, OR VOLUNTEERS.**

22. Funding. Notwithstanding any other provision of this Agreement, in the event that the Town Council has failed to appropriate or budget funds for the sponsorships specified in **Exhibit A**, or that the Town has been required, in its sole judgment, to amend previous appropriations or budgeted amounts to eliminate or reduce funding for the sponsorships specified in **Exhibit A**, the Town's obligation for any remaining sponsorships shall be modified or eliminated in accordance with the Town's appropriations or budget decision, and this Agreement will be deemed so modified or terminated without penalty, charge, or sanction.

23. Renewal. This agreement may be renewed for one or more future Pride in the Sky celebrations upon the mutual written consent of both parties, subject to the following provisions:

- (a) The Town reserves the right not to renew this Agreement and to retain another contractor to plan, organize, operate, and manage future Town Independence Day celebrations; and,
- (b) Cedarbrook reserves the right not to renew this Agreement and to plan, organize, operate, and manage future Pride in the Sky events at a location to be determined within or outside the Town; and,
- (c) Cedarbrook and the Town agree to notify the other party as soon as possible if either decides not to renew this Agreement, in no event later than January 1 of each year this Agreement is in effect.

24. Right of First Refusal. Upon termination of this Agreement, all rights associated with the branding and use of the name “Pride in the Sky” will be owned exclusively by Cedarbrook; provide, however, that the Town will have a first right of refusal to purchase all rights associated with the branding and use of the name “Pride in the Sky.”

25. Notice. Any notice or document required to be delivered hereunder may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested.

26. Severability. If any one or more of the provisions of this Agreement will for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision.

27. Entire Agreement. This Agreement contains the entire agreement between the parties and supersedes any and all other agreements, whether oral or written.

28. Amendment. This Agreement may not be amended, except by the mutual written consent of both parties.

29. Assignment. Cedarbrook will not assign this Agreement or any rights or obligations hereunder, without the prior written consent of the Town.

30. Authorized Signature. Cedarbrook warrants and affirms that the individual signing this Agreement on its behalf is authorized and empowered to so sign this Agreement and bind Cedarbrook to all of the terms, covenants, and conditions of this Agreement.

31. Mediation. In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved by the parties hereto, the parties agree to first submit such disagreement to non-binding mediation before resorting to other remedies.

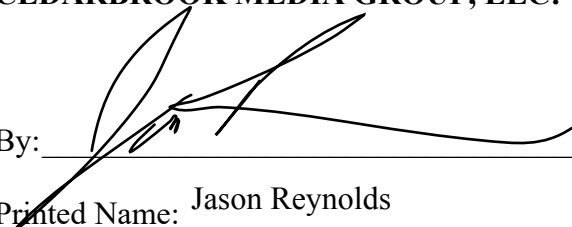
IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date of the last signature.

TOWN OF PROSPER, TEXAS:

By: _____
Mario Canizares, Town Manager

Date: _____

CEDARBROOK MEDIA GROUP, LLC:

By:  _____

Printed Name: Jason Reynolds _____

Title: Managing Member _____

Date: 2/26/2026 _____

EXHIBIT A**Town of Prosper Obligations**

The Town will be responsible for providing the following in-kind services and related items in connection with Pride in the Sky:

In-Kind Service	In-Kind Value
Fireworks Show: The Town will retain a third-party pyrotechnics company to provide the fireworks show at the conclusion of the event	\$30,000
Frontier Park Complex reservation, including lighting and electricity for five (5) fields for a minimum of three (3) hours	\$18,000
Frontier Park Pavilion reservation (10:00 a.m. – 10:00 p.m.), processing, fee and deposit	\$600
Special Event Permit processing fee and deposit	\$1,100
Police Department Personnel: approximately 25 officers, including equipment and apparatus, to ensure security services for the duration of the event	\$20,000
Fire Department Personnel: approximately ten (10) employees, including equipment and apparatus, to ensure fire safety and emergency medical services for the duration of the event; review of Emergency Management Plan; Public Safety Honor Guard to present the colors at the opening of the event	\$6,000
Public Works personnel: load-in, placement and removal of barricades, site and traffic control	\$300
Parks and Recreation Personnel: approximately eight (8) employees to maintain restrooms, load-in and removal of trash and recycle carts, empty trash, litter control, parking/traffic control, event site prep, vehicles and gators for the duration of the event	\$3,400
Code and Health Compliance Personnel: permitting and/or inspection of food trucks	\$300
Communications Personnel: marketing and promotion on Town communication channels	\$500
Wayfinding Signage designating VIP parking, restrooms, and park exits	\$1,000
Legal Fees related to Service Agreement preparation	\$300
Electronic signs for event promotion	\$300
Total In-Kind Contribution	\$81,800



INFORMATION TECHNOLOGY

To: Mayor and Town Council

From: Leigh Johnson, Director of I.T.

Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager

Re: Grant Program Application Resolutions

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon approving Resolutions authorizing matching funds for projects submitted under the State and Local Cybersecurity Grant Program.

Description of Agenda Item:

In February 2026, the Information Technology Department applied for two grants under the Federal State and Local Cybersecurity Grant Program (SLCGP), administered by the State of Texas Office of the Governor (OOG). New rules from the OOG require that a resolution be passed prior to the awarding project funds.

The OOG requires that the Town Council approve resolutions authorizing the expenditure of funds for the 30% match required by the grant applications.

The two projects are:

Grant Application Number 5834801: Penetration Testing Project

Grant Application Number 5874601: IDS/IPS Upgrade Project

Budget Impact:

If the projects are approved by the OOG, the Town will be responsible for a total of \$29,740 in matching funds during FY27.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Resolution for the Penetration Testing Project
2. Resolution for the IDS/IPS Upgrade Project

Town Staff Recommendation:

Town staff recommend the Town Council approve Resolutions authorizing matching funds for projects submitted under the State and Local Cybersecurity Grant Program.

Proposed Motion:

I move to approve Resolutions authorizing matching funds for projects submitted under the State and Local Cybersecurity Grant Program.

TOWN OF PROSPER, TEXAS

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, AUTHORIZING MATCHING FUNDS FOR THE PENETRATION TESTING PROJECT FUNDED THROUGH THE 2027 STATE & LOCAL CYBERSECURITY GRANT PROGRAM; MAKING FINDINGS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Prosper finds it in the best interest of the citizens of the Town of Prosper (“Town”), that the Penetration Testing Project be operated for the 2027 fiscal year; and

WHEREAS, the Town agrees to provide applicable matching funds for the said project as required by the State and Local Cybersecurity Grant Program grant application; and

WHEREAS, the Town agrees that in the event of loss or misuse of the Office of the Governor funds, the Town assures that the funds will be returned to the Office of the Governor in full; and

WHEREAS, the Town designates Colin Ashby as the grantee’s authorized official and he is granted the authority to apply for, accept, reject, alter or terminate the grant on behalf of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, THAT:

SECTION 1

All of the above premises are hereby found to be true and correct legislative and factual findings of the Town of Prosper and they are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

SECTION 2

The Town hereby approves submission of the grant application for the Penetration Testing Project to the Office of the Governor.

SECTION 3

This Resolution shall take effect immediately upon passage.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, ON THIS THE 10TH DAY OF MARCH, 2026.

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Terrence S. Welch, Town Attorney

TOWN OF PROSPER, TEXAS

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, AUTHORIZING MATCHING FUNDS FOR THE IDS/IPS UPGRADE PROJECT FUNDED THROUGH THE 2027 STATE & LOCAL CYBERSECURITY GRANT PROGRAM; MAKING FINDINGS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Prosper finds it in the best interest of the citizens of the Town of Prosper (“Town”), that the IDS-IPS Upgrade Project be operated for the 2027 fiscal year; and

WHEREAS, the Town agrees to provide applicable matching funds for the said project as required by the State and Local Cybersecurity Grant Program grant application; and

WHEREAS, the Town agrees that in the event of loss or misuse of the Office of the Governor funds, the Town assures that the funds will be returned to the Office of the Governor in full; and

WHEREAS, the Town designates Colin Ashby as the grantee’s authorized official and he is granted the authority to apply for, accept, reject, alter or terminate the grant on behalf of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, THAT:

SECTION 1

All of the above premises are hereby found to be true and correct legislative and factual findings of the Town of Prosper and they are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

SECTION 2

The Town hereby approves submission of the grant application for the Penetration Testing Project to the Office of the Governor.

SECTION 3

This Resolution shall take effect immediately upon passage.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, ON THIS THE 10TH DAY OF MARCH, 2026.

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Terrence S. Welch, Town Attorney



UTILITY CUSTOMER SERVICE

To: Mayor and Town Council

From: Robyn Battle, Executive Director

Through: Mario Canizares, Town Manager

Re: Solid Waste Cart Purchase

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon approving the purchase of 2,184 Schaeffer 95-gallon solid waste and recycling carts from Republic Services in the amount of \$120,120.

Description of Agenda Item:

The Town entered into an agreement for solid waste service with Republic Services on June 27, 2023, for a seven-year initial term with three one-year renewals. The trash and recycling carts are owned by the Town, and the contractor is responsible for storage, assembly, repair and maintenance of all carts, and delivery of new, repaired, and replacement carts to residential and commercial customers. The original contract included the purchase of approximately 19,000 trash carts and 19,000 recycling carts. The Town has almost depleted the current inventory of carts and it is necessary to place another order. The proposed order is for 1,092 trash carts and 1,092 recycling carts for a total of 2,184, which is approximately the inventory that will be needed for one year. Going forward, Town staff is recommending placing an annual order for replacement carts based on the number of new customers added during the previous year, plus a sufficient number of replacements for damaged carts.

Budget Impact:

Funding for the replacement carts is available in the Solid Waste Fund – 72010580-56360. The cost of the carts is \$55 each. The Town charges a \$2.00 per month cart financing fee on each residential account to ensure there is sufficient ongoing funding for replacement carts. This order will need a Midyear Budget Adjustment in FY 2025 – 2026 to use the fund's working capital. This is in anticipation of using the entire amount in the Purchase Order for Republic's services in this Fiscal Year.

Attached Documents:

1. Cart Quote from Republic Services

Town Staff Recommendation:

Town Staff recommends approving the purchase of 2,184 Schaeffer 95-gallon solid waste and recycling carts from Republic Services in the amount of \$120,120.

Proposed Motion:

I move to approve the purchase of 2,184 Schaeffer 95-gallon solid waste and recycling carts from Republic Services in the amount of \$120,120.



Sustainability in Action

February 25, 2026

Ms. Robyn Battle
Executive Director
Town of Prosper
250 W. First St.
Prosper, Texas 75078

Re: Cart Quote for Inventory

Quantity	Item Number	Description	Unit Price	Net Amount
1092	95Q.ORM	USD950 95 GALLON CART WITH 10" PLASTIC WHEELS, RFID & M-LID CHARCOAL GRAY BODY WITH BLACK LID CUSTOM TRASH - PROSPER - IN-MOLD CUSTOM LABEL	\$ 55.00	\$ 60,060.00
1092	95Q.ORM	USD950 95 GALLON CART WITH 10" PLASTIC WHEELS, RFID & M-LID GREEN BODY WITH GREEN LID CUSTOM TRASH - PROSPER - IN-MOLD CUSTOM RECYCLE LABEL	\$ 55.00	\$ 60,060.00
			TOTAL	\$ 120,120.00

Carts will arrive 14 days after we receive the purchase order from the Town.

Please let me know if you have any questions or need additional information.

Sincerely,
Jeri Harwell
Jeri Harwell
Manager, Municipal Sales



POLICE DEPARTMENT

To: Mayor and Town Council

From: Ken Myers, Interim Police Chief

Through: Mario Canizares, Town Manager

Re: Vehicle purchases: Ford Interceptor Utility

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon approving the purchase of (2) two 2026 Ford Interceptor Utility AWD patrol vehicles for \$105,546.00 from Silsbee Ford, and all aftermarket emergency equipment and install for the two Ford Interceptor's from DANA Safety Supply, Inc. for \$60,089.50, total request of \$165,635.50 utilizing the Interlocal Purchasing System (TIPS) Contract #240901.

Description of Agenda Item:

This purchase includes (2) two Ford Interceptor Utility AWD patrol vehicles to be assigned to the Patrol Division as marked patrol vehicles for \$105,546.00 and all aftermarket emergency equipment and install for the two Ford Interceptor's from DANA Safety Supply, Inc. for \$60,089.50, totaling \$165,635.50 utilizing the Interlocal Purchasing System (TIPS) Contract #240901 as approved in the FY26 budget.

Budget Impact:

FY26 funding in Patrol Division Organization #12022011, Object Capital Expense Vehicles #61450. Total purchase \$165,635.50.

Attached Documents:

1. Quote – Silsbee Ford – Ford Interceptor – (New Personnel / Patrol Division)
2. Quote – DANA Safety Supply – (Emergency Equipment / Install)
3. TIPS Contract #240901

Town Staff Recommendation:

Town Staff recommend the Town Council approve the purchase of (2) two 2026 Ford Interceptor Utility AWD patrol vehicles for \$105,546.00 from Silsbee Ford, and all aftermarket emergency equipment and install for the two Ford Interceptor's from DANA Safety Supply, Inc. for \$60,089.50, total request of \$165,635.50 utilizing the Interlocal Purchasing System (TIPS) Contract #240901.

Proposed Motion:

Item 12.

I move to approve the purchase of (2) two 2026 Ford Interceptor Utility AWD patrol vehicles for \$105,546.00 from Silsbee Ford, and all aftermarket emergency equipment and install for the two Ford Interceptor's from DANA Safety Supply, Inc. for \$60,089.50, total request of \$165,635.50 utilizing the Interlocal Purchasing System (TIPS) Contract #240901.



PRODUCT PRICING SUMMARY

TIPS USA 240901 AUTOMOBILES

VENDOR- Silsbee Ford, 1211 Hwy 96 N., Silsbee TX 77656

End User: TOWN OF PROSPER

Prepared by: SHELLY BECKETT

Contact: TOM DAVIS

Phone: 409-651-9558

Email: TDAVIS@PROSPERTX.GOV

Email: SBECKETT@SILSBEEFLEET.COM

Product Description: FORD INTERCEPTOR UTILITY

Date: February 24, 2026

A. Bid Item: 56 A. Base Price: \$ **51,795.00**

B. Factory Options

Code	Description	Bid Price	Code	Description	Bid Price
K8A	2026 FORD INTERCEPTOR UTILITY AWD			REMOTE KEYLESS ENTRY FOBS (4)	\$ -
99C	3.0L V6 ECOBOOST	\$ -		WIRELESS PHONE CONNECTIVITY	\$ -
51R	DRIVER SIDE LED SPOTLIGHT	\$ 400.00		GRILL/SIREN PREWIRE	\$ -
	FRONT HEADLAMP HOUSING	\$ -		REVERSE SENSING	\$ -
	POLICE TAIL LAMP HOUSING	\$ -		POLICE PERMITER ALERT	\$ -
	REAR AIR CONDITIONING	\$ -		BLIS	\$ -
YZ	EXTERIOR WHITE	\$ -			\$ -
9W	CLOTH FRONT VINYL REAR SEATING	\$ -			

Total of B. Published Options: \$ **400.00**

Published Option Discount (5%) \$ **(20.00)**

C. Unpublished Options

Description	Bid Price	Options	Bid Price
CURRENTLY ON ORDER ETA MID MARCH			

Total of C. Unpublished Options: \$ -

D. Floor Plan Interest (for in-stock and/or equipped vehicles): \$ -

E. Lot Insurance (for in-stock and/or equipped vehicles): \$ -

F. Contract Price Adjustment: \$ -

G. Additional Delivery Charge: 299 miles \$ **598.00**

H. Subtotal: \$ **52,773.00**

I. Quantity Ordered 2 x H = \$ **105,546.00**

J. Trade in: \$ -

K. Total Purchase Price \$ **105,546.00**



AUTOMATED VENDOR (DO NOT SEND PO TO TIPS)

EMAIL PURCHASE ORDER TO: sgamblin.silsbeefleet@gmail.com

PO MUST REFERENCE TIPS CONTRACT NUMBER

Notice:

Many Vendors utilize specific warranties, subscription agreements, license agreements, EULA's, etc. ("Supplemental Agreements") when you purchase specific goods or services from that Vendor. Since the Supplemental Agreements do not necessarily apply to every Member, every jurisdiction, or every purchase, TIPS does NOT now negotiate the terms of those agreements on Members' behalf. If you are required to sign such a supplementary agreement by the TIPS Vendor, TIPS strongly encourages Members not to proceed with a purchase until they have carefully reviewed and negotiated all applicable Supplemental Agreements. TIPS recommends you work with your entity's legal counsel to ensure compliance with the legal requirements of your entity and your jurisdiction.

[TIPS Purchase Order Procedure here](#)

OVERVIEW

DUE DILIGENCE

CONTACTS

PRINT PROFILE

RESELLERS



VENDOR **Silsbee Fleet (4 locations) 1.Silsbee Ford 2.Silsbee Toyota 3.Lake Country Chevrolet 4.Donalson CDJR, LLC**

1396 HWY 327 E SILSBEE TX,77656

WEBSITE

SERVICE/PRODUCTS DESCRIPTION **FLEET VEHICLES**

CONTRACT: **240902** **Transportation Vehicle Parts and Services**

End Date: Nov-30-2027 EDGAR COMPLIANCE: [View Doc.](#)

CONTRACT: **240901** **Transportation Vehicles**

End Date: Nov-30-2027 EDGAR COMPLIANCE: [View Doc.](#)

Sales Quote

DANA SAFETY SUPPLY, INC
500 S EDWARDIA DR
GREENSBORO, NC 27409

Telephone: 800-845-0045

Sales Quote No.	616865
Customer No.	PROSPERPD

Bill To

PROSPER POLICE DEPARTMENT
 250 W 1st St
 Prosper, TX 75078

Ship To

(For Pickup)
 MESQUITE TX WAREHOUSE
 3301 INNOVATIVE WAY
 MESQUITE, TX 75149

Contact: STEPHANIE MAYS
Telephone: 972-569-1028

E-mail: SMAYS@PROSPERTX.GOV

Contact: Doyle Ledbetter
Telephone: 254-368-9588

E-mail: DLEDBETTER@DANASAFETYSUPPLY.COM

Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method	
02/26/26	UPS GROUND FREIGHT	PPAY & ADD TO INVOICE		NET30	
Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	N	INFO BUYBOARD CONTRACT: 698-23 Warehouse: FTWO	0.0000	0.00
2	2	N	INFO PROSPER POLICE DEPT Warehouse: FTWO	0.0000	0.00
2	2	N	INFO 2026 FORD PIU (2) Warehouse: FTWO	0.0000	0.00
2	2	N	INFO EQUIPMENT & INSTALL Warehouse: FTWO	0.0000	0.00
2	2	N	INFO FRONT OF VEHICLE Warehouse: FTWO	0.0000	0.00
2	2	Y	36-2125 WESTIN PUSH BUMPER ELITE, 20-25 FORD PIU Warehouse: DROP	340.0000	680.00
2	2	Y	MSRP \$750 36-6005SMP4 Westin Elite 23.5" 4-Light Channel mpower HD Warehouse: DROP 35% OFF MSRP \$70	40.0000	80.00

Print Date	02/26/26
Print Time	03:14:09 PM
Page No.	1

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Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	36-2125WC WESTIN WIRE COVER - PART Warehouse: DROP 35% OFF MSRP \$70	40.0000	80.00
2	2	Y	36-2125PB WESTIN PIT BAR ELITE, 20-25 FORD PIU Warehouse: DROP 35% OFFMSRP \$690	310.0000	620.00
2	2	Y	36-2125W WESTIN 2020 FORD PI UTILITY UPPER WINGS Warehouse: DROP 35% OFF MSRP \$475	215.0000	430.00
8	8	Y	EMPS4STS5RBW SOI, MPWR HD, 4", STM, CLR HSG, RED/BLU/WHT Warehouse: DROP MOUNT ON TOP CHANNEL OF PB 35% OFF MSRP \$280	125.0000	1,000.00
4	4	Y	EMPSC07ML-8 SOI, MPWR, 7X3, STM, CLR HSG, RED/BLU/WHT Warehouse: DROP MOUNT ON SIDES OF PB 35% OFF MSRP \$592	259.0000	1,036.00

Print Date	02/26/26
Print Time	03:14:09 PM
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Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
4	4	Y	PMP8BZL01B SOI MPOWER 7X3 BLACK BEZEL Warehouse: DROP FOR 7X3s ON PB 35% OFF MSRP \$42	18.0000	72.00
4	4	Y	ETSS100J5 SOI SPEAKER AND BRACKET Warehouse: DROP MOUNT ON BUMPER 35% OFF MSRP \$465	293.0000	1,172.00
4	4	Y	ETSSVBK01 SOI, ETSS SPEAKER BRACKET, 2020-25 PIU Warehouse: DROP 35% OFF MSRP \$65	27.5000	110.00
2	2	Y	FEN-HAMB-007 FENIEX HAMMER MOUNT Ford Explorer PIU 20-21 Warehouse: DROP 35% OFF MSRP \$75	38.0000	76.00
2	2	Y	ETSKLF101 SOI LOW FREQUENCY AFTERSHOCK SIREN W/1 SPEAKERS Warehouse: DROP 35% OFF MSRP \$1004	550.0000	1,100.00

Print Date	02/26/26
Print Time	03:14:09 PM
Page No.	3

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Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	EMPTC01N14 SOI, MPWR TRFC CNTRL, 26", 4MOD, RBW/RBW Warehouse: DROP 26" 4 Head Front mpower® Traffic Controller w/ 15' LIN DSC Technology (PAS) T18 T18 T18 T18 (DRV) RBW RBW RBW RBW X Housing Color - Black Extrusion Lens Color - All Clear Lenses Accessories - PNFLBSPLT1 Mount Kit - PMPTCM07 (x2) X-Long 7-Hole MOUNT ON PB 35% OFF MSRP \$1579	662.0000	1,324.00

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Sales Quote

DANA SAFETY SUPPLY, INC
500 S EDWARDIA DR
GREENSBORO, NC 27409

Telephone: 800-845-0045

Sales Quote No.	616865
Customer No.	PROSPERPD

Bill To

PROSPER POLICE DEPARTMENT
 250 W 1st St
 Prosper, TX 75078

Ship To

(For Pickup)
 MESQUITE TX WAREHOUSE
 3301 INNOVATIVE WAY
 MESQUITE, TX 75149

Contact: STEPHANIE MAYS
Telephone: 972-569-1028

E-mail: SMAYS@PROSPERTX.GOV

Contact: Doyle Ledbetter
Telephone: 254-368-9588

E-mail: DLEDBETTER@DANASAFETYSUPPLY.COM

Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method	
02/26/26	UPS GROUND FREIGHT	PPAY & ADD TO INVOICE		NET30	
Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	EMPLB01KEK-4Q4 SOI, MPWR LBAR, 55", RBW/RBW, RBW/RBA/RBW, HK44 Warehouse: DROP 55"/140cm 10-32 Volt MPOWER 6 INCH LED LIGHTBAR W/ 25' LIN DSC TECHNOLOGY /T12//T12//T18 T18 T18 T18 T18 T18\T12\T12\ /RBW//RBW/ RBW RBW RBW RBW RBW RBW \RBW\RBW\ T12 SILVER O T12 RBW CLEAR O RBW \T12\T12\ T18 T18 T18 T18 T18 T18 /T12//T12/ \RBW\RBW\RBA RBA RBA RBA RBA RBA /RBW//RBW/ Accessories - PNFLBSPLT1, AUTO-DIM Mount - Fixed Height Mount (PMPLBK01) Hook - PNFLBF44 Vehicle - Ford Explorer/PI SUV w/o Roof Rack (2020-25) 35% OFF MSRP \$7317	3,150.0000	6,300.00
2	2	Y	EWL9111SL SOI GOLIGHT SL DRIVER'S SIDE W/ DASH CONTROL Warehouse: DROP 2026 FORD PIU 35% OFF MSRP \$1640	700.0000	1,400.00
2	2	Y	PWLBK001 SOI GOLIGHT SL BRACKET LH PIU Warehouse: DROP 35% OFF MSRP \$131	55.0000	110.00

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Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	PWLHN003 SOI GOLIGHT SL DASH CONTROL HARNESS TO LIGHTS Warehouse: DROP 35% OFF MSRP \$26	11.0000	22.00
2	2	N	INFO SIDE OF VEHICLE Warehouse: FTWO	0.0000	0.00
8	8	Y	PMP2WDG15B SOI MPOWER 4" 15 DEGREE WEDGE BLACK Warehouse: DROP MOUNT ON FRONT OF MIRROR 35% OFF MSRP \$15	7.0000	56.00
8	8	Y	PMP2WDG35B SOI MPOWER 4" 35 DEGREE WEDGE BLACK Warehouse: DROP MOUNT ON LOWER DOORS FOR RUNNING BOARD LIGHTS (4X1s) 35% OFF MSRP \$15	7.0000	56.00

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Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
8	8	Y	EMPS2QMS5RBW SOI, MPWR FASCIA, 4", QM, BLK HSG, RED/BLU/WHT Warehouse: DROP MOUNT ONE ON FRONT OF EACH MIRROR WITH 15 DEGREE WEDGES MOUNT 4 ON EACH SIDE, RUNNING BOARD LIGHTS WITH 35 DEGREE WEDGES ON LOWER DOORS 35% OFF MSRP \$280	125.0000	1,000.00
2	2	N	INFO REAR OF VEHICLE Warehouse: FTWO	0.0000	0.00
2	2	Y	PMP1BK007 SOI PIU D PILLAR KIT, BOTH SIDES Warehouse: DROP LIGHTS NOT INCLUDED	137.0000	274.00
12	12	Y	EMPS1SLS4RBW SOI, MPWR FASCIA, 3", STM, BLK HSG, RED/BLU/WHT Warehouse: DROP MOUNT IN D-PILLAR KIT FACING REAR 35% OFF MSRP \$250	115.0000	1,380.00

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Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
4	4	Y	EMPS1QMS4RBW SOI, MPWR FASCIA, 3", QM, BLK HSG, RED/BLU/WHT Warehouse: DROP MOUNT ON SIDE OF D-PILLAR KIT 35% OFF MSRP \$250	115.0000	460.00
2	2	Y	EMPAK018GM SOI, MPWR ARRW, REAR, 8 MOD, 2020-23 PIU, RBA/RBA Warehouse: DROP Ford Explorer/PI Utility (2020-23) 8 Mod Split Rear w/ 4" Modules (DRV) [T18 T18 T18 T18] [T18 T18 T18 T18] (PAS) [RBA RBA RBA RBA X X RBA RBA RBA RBA Accessories: PNFLBSPLT1 LIN DSC w/ Breakout Box (Included)	1,300.0000	2,600.00
2	2	N	35% OFF MSRP \$3049 INFO INTERIOR OF VEHICLE Warehouse: DROP	0.0000	0.00
2	2	Y	CC-UV20-L-18 Troy TROY 2020 PIU SLOPPED CONSOLE Warehouse: DROP 35% OFF MSRP \$601	360.0000	720.00

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Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	AC-TB-ARMMNT-58 TROY CONSOLE MOUNTED ADJUSTABLE ARM REST W/5x8 PAD Warehouse: DROP 35% OFF MSRP \$213	127.0000	254.00
2	2	Y	AC-INBHG TRO 4" INTERNAL CONSOLE DUAL CUPHOLDER WITH FINGERS Warehouse: DROP 35% OFF MSRP \$64	37.5000	75.00
2	2	Y	FP-SO500-R TROY 500 SERIES REMOTE CONTROLLER FACEPLATE Warehouse: DROP 35% OFF MSRP \$50	0.0000	0.00
2	2	Y	FP-MXTL2500 TRO, 3 " FACEPLATE, MOTOROLA REMOTE RADIO HEAD Warehouse: DROP	0.0000	0.00
2	2	Y	FP-SOGL-4 TROY GOLIGHT FACEPLATE Warehouse: DROP	0.0000	0.00
2	2	Y	FP-BLNK2 TRO 2 BLANK PLATE FOR CONSOLE Warehouse: DROP 35% OFF MSRP \$13	0.0000	0.00

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Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	FP-BLNK3 TRO 3 BLANK PLATE FOR CONSOLE Warehouse: DROP 35% OFF MSRP \$25	0.0000	0.00
2	2	Y	FP-BLNK1 TRO 1 BLANK PLATE FOR CONSOLE Warehouse: DROP 35% OFF MSRP \$13	0.0000	0.00
2	2	Y	CM-SDLA-SL-LED TROY SLIDING SWING ARM Warehouse: DROP 35% OFF MSRP \$669	401.0000	802.00
4	4	Y	MMSU-1 MAGNETIC MIC SINGLE UNIT CONVERSION KIT Warehouse: DROP 35% OFF MSRP \$75	35.0000	140.00
2	2	Y	GK10342UHK SMC DUAL VERT. RACK 2 UNIV. LOCKS W/ HC KEY Warehouse: DROP 35% OFF MSRP \$629	382.0000	764.00

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02/26/26	UPS GROUND FREIGHT	PPAY & ADD TO INVOICE		NET30	
Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
4	4	Y	EBSDL0002-D SOI, OBSERVE, SMALL FORM DOME LIGHT, 3", R/W Warehouse: DROP MOUNT OVER DRIVER AND PASSENGER WITH SWITCH 35% OFF MSRP \$125	52.5000	210.00
2	2	N	INFO PARTITION SYSTEM Warehouse: FTWO	0.0000	0.00
2	2	Y	KIT-TP-E-FW3-US-SS TROY FRONT CAGE KIT Warehouse: FTWO FORT WORTH CUSTOM KIT KIT INCLUDES: TP-E-FW3-US-SS SAB-20-FDUV-BB KP-UV20-DAP-SS	840.0000	1,680.00
4	4	Y	35% OFF MSRP \$1400 EBSDL0001-W SOI, OBSERVE+ ROUND DOME LIGHT, 3", WHITE Warehouse: DROP MOUNT IN FOOT WELL OF FRONT PARTITIONS 35% OFF MSRP \$115	47.0000	188.00

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Telephone: 800-845-0045

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Entered By	Salesperson	Ordered By	Resale Number		
Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	WS-UV20-FW-SET TROY CUSTOM REAR DOOR WINDOW SCREEN Warehouse: DROP	170.0000	340.00
2	2	Y	MISC TROY FW CUSTOM WINDOW SCREENS: WS-UV20-FW-RLFX Warehouse: DROP	200.0000	400.00
2	2	Y	35% OFF MSRP \$330 DP-UV20-SET TRO TROY DOOR PANELS Warehouse: DROP	210.0000	420.00
2	2	Y	35% OFF MSRP \$350 PS-20-UVFW-OS-RLFX TROY FT WORTH REAR SEAT/PARTITION/WINDOW SCREEN PKG Warehouse: FTWO	1,450.0000	2,900.00
2	2	Y	Fort Worth Plastic rear seat and Custom rear Window Screen and Rear Partition 35% OFF MSRP \$2700 EM20UVCRGDCKSSSTK2DWR TRO 2 DRAWER REAR CARGO DECK SYSTEM Warehouse: DROP	2,200.0000	4,400.00
			TROY PART # EM-20UV-CRGDCK-SSTK-2DWR 35% OFF MSRP \$4800		

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Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	EM-20UV-PAN-FW TROY CARGO PAN Warehouse: DROP	250.0000	500.00
8	8	Y	35% OFF MSRP \$400 EMPS2QMS5RBW SOI, MPWR FASCIA, 4", QM, BLK HSG, RED/BLU/WHT Warehouse: DROP mpower® 4" Fascia Light w/ Quick Mount, 18" hard wire w/ sync option, SAE Class 1 & CA Title 13, 9-32 Vdc, Black Housing, 18 LED, Tricolor - Red/Blue/White MOUNTED ON REAR LIFT HATCH (2 REAR FACING, 2 SIDE FACING)	125.0000	1,000.00
4	4	Y	35% OFF MSRP\$ 270 EBSDL0001-W SOI, OBSERVE+ ROUND DOME LIGHT, 3", WHITE Warehouse: DROP obSERVE+ Dome Light - 3" Round, Single Color - White MOUNTED ON REAR LIFT HATCH FOR CARGO LIGHT	47.0000	188.00
2	2	N	35% OFF MSRP \$105 INFO ELECTRONICS/MISC Warehouse: DROP	0.0000	0.00

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Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	FWRPD CUST ANT BUNDLE PWBTS FWRPD CUSTOM ANTENNA BUNDLE Warehouse: DROP Includes: .Panorama GPSD-6-60-DW + FTD. C29/C32 CABLES KIT .Panorama 5m CS29 CABLE ASSY FME(f) -MPL(m) ..Panorama AFM-835	375.0000	750.00
2	2	Y	HKN6168B HAF MOTOROLA 30' CONTROL REMOTE HEAD CABLE Warehouse: DROP 35% OFF MSRP \$125	81.2500	162.50
2	2	Y	HKN4191B MOT 12 VDC, 20 WATT, 10 FOOT RADIO POWER CABLE Warehouse: DROP 35% OFF MSRP \$78	32.5000	65.00
2	2	Y	HKN6188B MOTOROLA CH POWER CABLE Warehouse: DROP 35% OFF MSRP \$84	52.0000	104.00
2	2	Y	ENGLMK013 SOI BP LINK KIT, SUPER DUTY, '24 F150, '25 PIU Warehouse: MESQ OBSOLETE - USE ENGLNVH017	405.0000	810.00

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Bryan Stevens	Blake Hadsell- Mesquite	Flip Phillips			
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	ENGSYMD01 SOI SOUND OFF / BLUEPRINT SYNC MODULE Warehouse: DROP 35% OFF MSRP \$518	329.5000	659.00
8	8	Y	ENGND04102 SOI 10 OUTPUT REMOTE NODE W/ MAGNETIC I.D. Warehouse: DROP 35% OFF MSRP \$383	295.0000	2,360.00
8	8	Y	ENGHKN06 SOI 10FT REMOTE NODE HARNESS Warehouse: DROP 35% OFF MSRP \$188	115.0000	920.00
2	2	Y	5032B BLUE SEA SYSTEM FUSE BLOCK ST BLADE Warehouse: DROP 35% OFF MSRP \$95	50.0000	100.00
2	2	Y	7189B-BSS Blue Sea 150A Circuit Breaker Warehouse: DROP Circuit Breaker Buss 285 SfcMt 150A (FLM- 5) 35% OFF MSRP \$75	50.0000	100.00

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Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	GRAPHICS GRAPHICS FOR VEHICLE Warehouse: FTWO 35% OFF MSRP \$1850	650.0000	1,300.00
2	2	Y	INSTALL KIT MISC INSTALLATION SUPPLIES I.E. Warehouse: FTWO	45.0000	90.00
2	2	Y	PIGTAIL HARNESS 35% OFF MSRP \$ 80 ENGS5201 SOI 500 SERIES SIREN W/ BUILT IN LINK MODULE Warehouse: DROP bluePRINT® 500 Series Remote Amplifier with Link, 10-16v, 200 Watt dual-tone	850.0000	1,700.00
2	2	Y	ENGCP18003 SOI PUSH BUTTON CONTROL PANEL W/MICROPHONE Warehouse: DROP Push Button Control Panel with Microphone, compatible with bluePRINT® Control Systems (Remote)	190.0000	380.00
2	2	Y	ENGLNVH018 SOI BLUEPRINT 500 LINK, 2024+ PIU/EXPLORER Warehouse: DROP Vehicle Harness for bluePRINT® 500 with Link with 25' data cable for Ford F-150 2024-2025, Ford Police Interceptor / Explorer 2025	185.0000	370.00

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E-mail: SMAYS@PROSPERTX.GOV

Contact: Doyle Ledbetter
 Telephone: 254-368-9588

E-mail: DLEDBETTER@DANASAFETYSUPPLY.COM

Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method
02/26/26	UPS GROUND FREIGHT	PPAY & ADD TO INVOICE		NET30
Entered By		Salesperson	Ordered By	Resale Number
Bryan Stevens		Blake Hadsell- Mesquite	Flip Phillips	

Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
2	2	Y	INSTALL KIT MISC INSTALLATION SUPPLIES I.E. Warehouse: MESQ LOOM, WIRE, HARDWARE, CONNECTORS, ETC *****	550.0000	1,100.00
2	2	Y	INSTALL DSS INSTALLATION OF EQUIPMENT Warehouse: MESQ	4,800.0000	9,600.00
1	1	Y	INSTALL GLASS DOOR ARMOR Warehouse: MESQ	0.0000	0.00
2	2	Y	KEV-FE-G6-F ISBI KEVLAR IIIA FRONT DOOR PANEL, 2020+ PIU/EXPLOR Warehouse: MESQ	875.0000	1,750.00
2	2	Y	INSTALL GLASS Install Glass Warehouse: MESQ	75.0000	150.00

Approved By: _____

Approve All Items & Quantities

Quote Good for 30 Days

Print Date	02/26/26
Print Time	03:14:09 PM
Page No.	17

Subtotal	58,889.50
Freight	1,200.00
Order Total	

By accepting this quote/order, the customer expressly acknowledges and agrees that to the extent not expressly prohibited by law, and except to the extent arising from or relating to the gross negligence or willful misconduct of DSS, its agents or its employees, DSS shall not be liable to the customer, or any third party for any damage to the vehicle/products resulting from or arising out of any ACTS OF GOD, including without limitation, any fires, floods, earthquakes, tornados, hail or similar weather events.



INFORMATION TECHNOLOGY

To: Mayor and Town Council

From: Leigh Johnson, Director of Information Technology

Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager

Re: Five-Year Technology Equipment Lease Agreement

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon authorizing the Town Manager to execute a five-year lease agreement and all related documents with Dell Financial Services L.L.C. in a total amount not to exceed \$393,880.

Description of Agenda Item:

This item seeks Town Council approval to enter into a five-year lease agreement with Dell Financial Services L.L.C.

The proposed lease structure provides the Town with the ability to deploy and maintain critical technology equipment while distributing the financial impact over a five-year period.

Budget Impact:

The annual lease payment of \$78,776 will be funded from IT Lease accounts across multiple funds and is included in the current fiscal year budget.

Future annual payments will be subject to appropriation in subsequent fiscal year budgets. The total five-year obligation is \$393,880

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Town Staff Recommendation:

Town Staff recommend authorizing the Town Manager to execute a five-year lease agreement and all related documents with Dell Financial Services L.L.C. in a total amount not to exceed \$393,880.

Proposed Motion:

I move to authorize the Town Manager to execute a five-year lease agreement and all related documents with Dell Financial Services L.L.C. in a total amount not to exceed \$393,880.



PUBLIC WORKS

To: Mayor and Town Council

From: Carrie Jones, Director of Public Works

**Through: Mario Canizares, Town Manager
Chuck Ewings, Assistant Town Manager**

**Re: Professional Services Agreement – Risk and Resilience Assessment
and Emergency Response Plan Update**

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon authorizing the Town Manager to execute a Professional Services Agreement between Freese & Nichols, Inc., and the Town of Prosper, Texas, related to an update of the Risk and Resilience Assessment and the Emergency Response Plan for \$57,000.

Description of Agenda Item:

In compliance with mandates outlined in the 2018 American Water Infrastructure Act (AWIA), water systems are required to routinely update the Risk and Resilience Assessment (RRA) and the Emergency Response Plan (ERP) and recertify these items every five years. Prosper falls into the small public water system (serving 3,300 to 49,999 people), requiring the first re-certification for the RRA by June 30, 2026, and the ERP by December 31, 2026.

The purpose of the RRA is to evaluate the risks to critical water system infrastructure from both malevolent acts and natural hazards and to assess the system's resilience in maintaining safe drinking water under such threats. The ERP outlines the strategies, resources, plans and procedures that utilities must implement to effectively respond to various incidents.

Staff worked with FNI in 2021 to complete and certify the initial RRA and ERP.

Budget Impact:

The cost for the updates and re-certification will come from Contracted Services (70050520-56000).

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Professional Services Agreement

Town Staff Recommendation:

Town Staff recommend the Town Council authorize the Town Manager to execute a Professional Services Agreement between Freese & Nichols, Inc., and the Town of Prosper, Texas, related to an update of the Risk and Resilience Assessment and the Emergency Response Plan for \$57,000.

Proposed Motion:

I move to approve authorizing the Town Manager to execute a Professional Services Agreement between Freese & Nichols, Inc., and the Town of Prosper, Texas, related to an update of the Risk and Resilience Assessment and the Emergency Response Plan for \$57,000.

**PROFESSIONAL ENGINEERING SERVICES AGREEMENT
BETWEEN THE TOWN OF PROSPER, TEXAS, AND FREESE AND NICHOLS, INC.,
FOR THE AMERICAN WATER INFRASTRUCTURE ACT RECERTIFICATION PROJECT**

This Agreement for Professional Engineering Services, hereinafter called "Agreement," is entered into by the **Town of Prosper, Texas**, a municipal corporation, duly authorized to act by the Town Council of said Town, hereinafter called "Town," and **Freese and Nichols, Inc.**, a company authorized to do business in Texas, acting through a duly authorized officer, hereinafter called "Consultant," relative to Consultant providing professional engineering services to Town. Town and Consultant when mentioned collectively shall be referred to as the "Parties."

WITNESSETH:

WHEREAS, Town desires to obtain professional engineering services in connection with the American Water Infrastructure Act Recertification Project, hereinafter called "Project";

For the mutual promises and benefits herein described, Town and Consultant agree as follows:

1. **Term of Agreement.** This Agreement shall become effective on the date of its execution by both Parties, and shall continue in effect thereafter until terminated as provided herein.
2. **Services to be Performed by Consultant.** The Parties agree that Consultant shall perform such services as are set forth and described in **Exhibit A - Scope of Services** and incorporated herein as if written word for word. All services provided by Consultant hereunder shall be performed in accordance with the degree of care and skill ordinarily exercised under similar circumstances by competent members of their profession. In case of conflict in the language of Exhibit A and this Agreement, this Agreement shall govern and control. Deviations from the Scope of Services or other provisions of this Agreement may only be made by written agreement signed by all Parties to this Agreement.
3. **Prompt Performance by Consultant.** Consultant shall perform all duties and services and make all decisions called for hereunder promptly and without unreasonable delay as is necessary to cause Consultant's services hereunder to be timely and properly performed. Notwithstanding the foregoing, Consultant agrees to use diligent efforts to perform the services described herein and further defined in any specific task orders, in a manner consistent with these task orders; however, the Town understands and agrees that Consultant is retained to perform a professional service and such services must be bound, first and foremost, by the principles of sound professional judgment and reasonable diligence.
4. **Compensation of Consultant.** Town agrees to pay to Consultant for satisfactory completion of all services included in this Agreement a total fee of Fifty-Seven Thousand Dollars (\$57,000) for the Project as set forth and described in **Exhibit B - Compensation Schedule** and incorporated herein as if written word for word. Lump sum fees shall be billed monthly based on the percentage of completion. Hourly not to exceed fees shall be billed monthly based on hours of work that have been completed. Direct Costs for expenses such as mileage, copies, scans, sub-consultants, and similar costs are included in fees and shall be billed as completed.

Consultant agrees to submit statements to Town for professional services no more than once per month. These statements will be based upon Consultant's actual services performed and reimbursable expenses incurred, if any, and Town shall endeavor to make prompt payments. Each statement submitted by Consultant to Town shall be reasonably itemized to show the amount of work performed during that period. If Town fails to pay Consultant within sixty (60) calendar days of the receipt of Consultant's invoice, Consultant may, after giving ten (10) days written

notice to Town, suspend professional services until paid.

Nothing contained in this Agreement shall require Town to pay for any work that is unsatisfactory as reasonably determined by Town or which is not submitted in compliance with the terms of this Agreement.

The Scope of Services shall be strictly limited. Town shall not be required to pay any amount in excess of the original proposed amount unless Town shall have approved in writing in advance (prior to the performance of additional work) the payment of additional amounts.

5. **Town's Obligations.** Town agrees that it will (i) designate a specific person as Town's representative, (ii) provide Consultant with any previous studies, reports, data, budget constraints, special Town requirements, or other pertinent information known to Town, when necessitated by a project, (iii) when needed, assist Consultant in obtaining access to properties necessary for performance of Consultant's work for Town, (iv) make prompt payments in response to Consultant's statements and (v) respond in a timely fashion to requests from Consultant. Consultant is entitled to rely upon and use, without independent verification and without liability, all information and services provided by Town or Town's representatives.

6. **Ownership and Reuse of Documents.** Upon completion of Consultant's services and receipt of payment in full therefore, Consultant agrees to provide Town with copies of all materials and documents prepared or assembled by Consultant under this Agreement and that Town may use them without Consultant's permission for any purpose relating to the Project. Any reuse of the documents not relating to the Project shall be at Town's risk. Consultant may retain in its files copies of all reports, drawings, specifications and all other pertinent information for the work it performs for Town.

7. **Town Objection to Personnel.** If at any time after entering into this Agreement, Town has any reasonable objection to any of Engineer's personnel, or any personnel, professionals and/or consultants retained by Engineer, Engineer shall promptly propose substitutes to whom Town has no reasonable objection, and Engineer's compensation shall be equitably adjusted to reflect any difference in Engineer's costs occasioned by such substitution.

8. **Insurance.** Consultant shall, at its own expense, purchase, maintain and keep in force throughout the duration of this Agreement applicable insurance policies as described in **Exhibit C - Insurance Requirements** and incorporated herein as if written word for word. Consultant shall submit to Town proof of such insurance prior to commencing any work for Town.

9. **Indemnification.** **CONSULTANT DOES HEREBY COVENANT AND AGREE TO RELEASE, INDEMNIFY AND HOLD HARMLESS TOWN AND ITS OFFICIALS, OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES AND INVITEES FROM AND AGAINST LIABILITY, CLAIMS, SUITS, DEMANDS AND/OR CAUSES OF ACTION, (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEY'S FEES AND COSTS OF LITIGATION), WHICH MAY ARISE BY REASON OF DEATH OR INJURY TO PROPERTY OR PERSONS BUT ONLY TO THE EXTENT OCCASIONED BY THE NEGLIGENT ACT, ERROR OR OMISSION OF CONSULTANT, ITS OFFICIALS, OFFICERS, AGENTS, EMPLOYEES, INVITEES OR OTHER PERSONS FOR WHOM CONSULTANT IS LEGALLY LIABLE WITH REGARD TO THE PERFORMANCE OF THIS AGREEMENT.**

IN THE EVENT THAT TOWN AND CONSULTANT ARE CONCURRENTLY NEGLIGENT, THE PARTIES AGREE THAT ALL LIABILITY SHALL BE CALCULATED ON A COMPARATIVE BASIS OF FAULT AND RESPONSIBILITY AND THAT NEITHER PARTY SHALL BE REQUIRED TO DEFEND OR INDEMNIFY THE OTHER PARTY FOR THAT PARTY'S NEGLIGENT OR INTENTIONAL ACTS, ERRORS OR OMISSIONS.

10. **Notices.** Any notices to be given hereunder by either Party to the other may be affected either by personal delivery, in writing, or by registered or certified mail to the following addresses:

Freese and Nichols, Inc.
Melissa Brunger, P.E., Vice President
12770 Merit Drive, Suite 900
Dallas, TX 75251
Melissa.brunger@freese.com

Town of Prosper
Mario Canizares, Town Manager
PO Box 307
Prosper, TX 75078
mcanizares@prospertx.gov

11. **Termination.** The obligation to provide further services under this Agreement may be terminated by either Party in writing upon thirty (30) calendar days notice. In the event of termination by Town, Consultant shall be entitled to payment for services rendered through receipt of the termination notice.

12. **Sole Parties and Entire Agreement.** This Agreement shall not create any rights or benefits to anyone except Town and Consultant, and contains the entire agreement between the Parties. Oral modifications to this Agreement shall have no force or effect.

13. **Assignment and Delegation.** Neither Town nor Consultant may assign its rights or delegate its duties without the written consent of the other Party. This Agreement is binding on Town and Consultant to the extent permitted by law. Nothing herein is to be construed as creating any personal liability on the part of any Town officer, employee or agent.

14. **Texas Law to Apply; Successors; Construction.** This Agreement shall be construed under and in accordance with the laws of the State of Texas. It shall be binding upon, and inure to the benefit of, the Parties hereto and their representatives, successors and assigns. Should any provisions in this Agreement later be held invalid, illegal or unenforceable, they shall be deemed void, and this Agreement shall be construed as if such provision had never been contained herein.

15. **Conflict of Interest.** Consultant agrees that it is aware of the prohibited interest requirement of the Town Charter, which is repeated in **Exhibit D - Conflict of Interest Affidavit** and incorporated herein as if written word for word, and will abide by the same. Further, a lawful representative of Consultant shall execute the Affidavit included in the exhibit. Consultant understands and agrees that the existence of a prohibited interest during the term of this Agreement will render the Agreement voidable.

Consultant agrees that it is further aware of the vendor disclosure requirements set forth in Chapter 176, Local Government Code, as amended, and will abide by the same. In this connection, a lawful representative of Consultant shall execute the Conflict of Interest Questionnaire, Form CIQ, attached hereto as **Exhibit E - Conflict of Interest Questionnaire** and incorporated herein as if written word for word.

16. **Venue.** The Parties herein agree that this Agreement shall be enforceable in Prosper, Texas, and if legal action is necessary to enforce it, exclusive venue shall lie in Collin County, Texas.

17. **Mediation.** In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved by the signatories hereto, the signatories agree to submit such disagreement to non-binding mediation.

18. **Prevailing Party.** In the event a Party initiates or defends any legal action or proceeding to enforce or interpret any of the terms of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its reasonable costs and attorney's fees (including its reasonable costs and attorney's fees on any appeal).

19. "Anti-Israel Boycott" Provision. In accordance with Chapter 2270, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. Chapter 2270 does not apply to a (1) a company that is a sole proprietorship; (2) a company that has fewer than ten (10) full-time employees; or (3) a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless the company is not subject to Chapter 2270 for the reasons stated herein, the signatory executing this Agreement on behalf of the company verifies by its signature to this Agreement that the company does not boycott Israel and will not boycott Israel during the term of this Agreement.

20. Signatories. Town warrants and represents that the individual executing this Agreement on behalf of Town has full authority to execute this Agreement and bind Town to the same. Consultant warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind Consultant to same.

IN WITNESS WHEREOF, the Parties, having read and understood this Agreement, have executed such in duplicate copies, each of which shall have full dignity and force as an original, on the _____ day of _____, 20_____.

FREES AND NICHOLS, INC.

TOWN OF PROSPER, TEXAS

By: Clayton Barnard
Signature

By: _____
Signature

Clayton Barnard, P.E.
Printed Name

Mario Canizares
Printed Name

Vice-President / Principal
Title

Town Manager
Title

February 5th, 2026
Date

Date

EXHIBIT A SCOPE OF SERVICES

PROFESSIONAL ENGINEERING SERVICES AGREEMENT BETWEEN THE TOWN OF PROSPER, TEXAS, AND FREESE AND NICHOLS, INC., FOR THE AMERICAN WATER INFRASTRUCTURE ACT RECERTIFICATION PROJECT

I. PROJECT DESCRIPTION:

In 2021, FNI supported the Town of Prosper (Town) in completing and certifying an RRA and ERP in compliance with the 2018 American Water Infrastructure Act (AWIA), Section 2013. AWIA Section 2013 requires systems to routinely update the RRA and ERP and recertify these items every 5 years. For small public water systems such as Prosper, which serve between 3,300 and 49,999 people, the first re-certification deadlines under AWIA are June 30, 2026 for the RRA, and December 31, 2026 for the ERP.

FNI is providing this proposal to offer engineering services in support of the review, update, and recertification of the water system's RRA and ERP to comply with the requirements of AWIA, Section 2013, and continue the Town's commitment to the resilience of its water system.

This scope of work includes the major components below:

Basic Services – included in this scope and fee:

Task A – Project Management and Meetings

Task B – RRA Update & Recertification Support

- Data Review and Updated Risk Scoring
- RRA Workshop
- Cybersecurity Evaluation
- Final RRA
- Final Documentation and Recertification Support

Task C - ERP Update & Recertification Support

- ERP Audit & Markup
- Final ERP Review & Recertification Support

The certification of the RRA and ERP will be submitted by the Town to the EPA. Certification of the RRA will be submitted by June 30, 2026, and the ERP by December 31, 2026, as required for systems serving between 3,300 and 49,999 people.

II. TASK SUMMARY

This project includes a review and update of the existing RRA and ERP, and a hosted workshop to gain the Town's input on the updated data inputs for the RRA. Deliverables will include a brief 10-page Technical Memorandum (Technical Memo) that describes the updated RRA and the updated ERP. Due to the sensitive nature of the content, the Technical Memo and updated ERP are recommended to be protected from public access within applicable law. Electronic document transfer for this project will be provided to the Town through a secure file-sharing platform. Confidential documents will not be emailed.

BASIC SERVICES (LUMP SUM)

Task A: Project Management and Meetings

A1. Kickoff Meeting

FNI will conduct a 1-hour kickoff meeting with Town staff to introduce the FNI project team and Town's team participants, review the scope of services, project schedule, and communication approaches.

A2. Project Administration

FNI will perform general administrative duties associated with the project, including planning, progress monitoring, and monthly progress reporting, scheduling, quality control/quality assurance, and invoicing for the Project. These duties include maintaining regular contact with the Town to promptly meet its needs and executing work according to the work plan, budget, and schedule.

Task B: RRA Update & Recertification Support

B1. Review and Revision of RRA

a) Data Review and Updated Risk Scoring:

i) Data Review:

FNI will develop an initial data request and list of questions based on the Town's most current RRA and ERP documents. The data request will also include any updates to the following:

- a) Utility Risk Index (URI) parameters
- b) All categories of utility assets and associated threats
- c) Protective countermeasures, detection strategies, and mitigation
- d) Updated Water System GIS Data (shapefiles, geodatabase)
- e) Updated Emergency contacts and roles (internal and external) for the ERP
- f) Response actions for the ERP

ii) Updated Risk Scoring:

FNI will create a 2026 RRA spreadsheet to record updated inputs using the information gathered from the Town and calculate updated Utility Risk Index (URI) and risk & resiliency scores for the utility. To update the inputs, FNI will:

- a) Add new threat-asset pairs identified by the Town in the data request
- b) Update consequence costs with inflation rates
- c) Update vulnerability scores per changed prevention or mitigation measures reported in the data request
- d) Update threat likelihoods with current national threat information.

For new threat-asset pairs, FNI will use input from the Town and the best available industry knowledge to assign threat, vulnerability, and consequence values. Any assumptions made will be highlighted and reviewed with the Town during the RRA Workshop.

b) RRA Workshop:

FNI will conduct a two (2) hour in-person workshop with the Town's team to review the existing RRA. The workshop will cover the general activities below:

- i) Review of the previous RRA results

- ii) Discussion of the system's performance, observations and follow-up actions to any threats that occurred since the completion of the original RRA
- iii) Review of input values and assumptions, requesting input from the Town
- iv) Updates to countermeasures, and additional potential countermeasures and mitigation, including risk reduction and resiliency improvement and rough approximation conceptual cost to the Town
- v) Discussion of updated industry standards and best practices for resiliency

c) Updated RRA Spreadsheet and Technical Memo:

Based on the workshop discussion, FNI will adjust inputs and assumptions in the RRA spreadsheet to generate updated risk scores. FNI will develop a draft Technical Memo of approximately 10 pages, summarizing the updates since the first RRA. The Technical Memo will review the following topics:

- i) Summary of work performed to update the RRA, including new or changed inputs for assets and threats
- ii) Summary of updated risk and resilience scores
- iii) Updated countermeasures and mitigation recommendations

B2. Cybersecurity Evaluation

a) Data Review:

FNI will review the latest available documentation related to the Town's SCADA system, control system architecture, operational technology assets, and information security protocols.

b) Cybersecurity Evaluation Workshop:

FNI will lead a virtual 2-hour workshop to understand the current use of the SCADA system and remote access and reporting requirements, evaluate recommended cybersecurity controls and their current implementation. The workshop attendees should include a representative from management, SCADA, and IT. During the workshop, the team will go through the AWWA Cybersecurity Assessment tool. The initial online questions will be answered to determine the required controls for the SCADA system network. Once the controls are downloaded, each control is discussed and rated based on the current implementation.

c) Evaluation and Assessment Summary:

A draft summary will be provided for one round of Town review and comment. FNI will conduct a 60-minute review (virtual meeting) with the cybersecurity team on the assessment findings and document additional comments as a part of the Final RRA Review (Virtual Meeting) in Task B.3.a. FNI will incorporate the Town's feedback and provide the final cybersecurity summary as a section in the RRA Technical Memo (Task B.1.c).

B3. Final RRA Documentation & Certification of RRA

a) Final RRA Review Meeting:

FNI will share the results of the updated RRA and review the draft Technical Memo with the Town during a 90-minute Draft RRA review meeting. The objective of the meeting will be to share updated results and collect Town feedback before finalizing the RRA Spreadsheet and Technical Memo.

b) Final Documents:

Based on feedback received during the Final RRA Review, FNI will finalize the RRA Spreadsheet and Technical Memo.

c) RRA Certification Support:

EPA's portal requires a utility employee to perform the certification. FNI will assist the Town through a virtual work session to complete and submit the certification of the RRA through the online EPA portal before the RRA certification deadline. A copy of the certification will be maintained in the final RRA report.

Task B Assumptions

1. The Town will provide available data within three (3) weeks of receiving the data request and any follow-up information from the workshop or Final RRA meeting within two (2) weeks of those meetings. If requested information is not provided within these timeframes, FNI will proceed with completion of the RRA using information available from previous RRAs, data already provided, and reasonable assumptions based on current industry standards to ensure compliance with regulatory deadlines.
2. The Town will recertify the RRA using EPA's portal before June 30, 2026.

Task C: ERP Update & Recertification Support

For this task, FNI will perform an audit and provide recommended updates for the Town's ERP. FNI recommends the Town perform the update of the ERP document because it is beneficial for Town staff to be in contact with their critical partner organizations and suppliers to update contact information, and it helps Town staff become familiar with the organization and content of the plan. Following the Town's update of the plan, FNI will perform a final review and provide certification support to the Town to recertify the Town's ERP to the EPA.

C1. ERP Update

a) Initial ERP Audit and Markup:

FNI will conduct an audit of the Town's ERP to verify it complies with the requirements of AWIA Section 2013 and to identify content that should be updated based on the results of the updated RRA. FNI will provide ERP markups with descriptions of recommended updates for the Town to incorporate into the ERP.

FNI will host a meeting to review the recommendations resulting from the ERP Audit. The meeting will include a discussion of recommended updates and information needed for the Town to complete the updates. The meeting may include a discussion of the usefulness of the current ERP and the overlap of information with other emergency documents.

b) Development of Updated Content:

Updated detection measures, and protocols will be provided for incorporation into the ERP. FNI may include up to ten (10) pages of additional recommended text to assist in any significant recommended updates. Review and discussion of the updated content created by the Town or FNI will be reviewed in a 1-hr virtual progress meeting, if needed.

C2. Final ERP Review & Recertification Support

a) Final ERP Review:

Following the update and incorporation of new content into the ERP, FNI will review the final plan and provide one round of comments.

If necessary, a final ERP meeting will be held to discuss comments on the final ERP, review plans for continued training and exercises on the plan, and the recertification process.

b) Recertification Support:

FNI will assist the Town through a virtual work session to complete and submit the certification of the ERP through the online EPA portal, if needed.

Task C Assumptions

1. The Town will perform the updates to the ERP document including updating contact information, applying the markups and additional language provided by FNI.
2. The Town will complete the ERP Certification using EPA's portal before December 31, 2026.

SPECIAL SERVICES

No special services have been identified.

ADDITIONAL SERVICES: Additional Services to be performed by Consultant, if authorized by the Town, which are not included in the above described scope of services, are described as follows:

- A. Providing consultation concerning the replacement of any Work damaged by fire or other cause during the construction and providing services as may be required in connection with the replacement of such Work.
- B. Investigations involving consideration of operation, maintenance and overhead expenses, and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals, evaluations, assessment schedules, and material audits or inventories required for certification of force account construction performed by the Town.
- C. Preparing applications and supporting documents for government grants, loans, or planning advances and providing data for detailed applications.
- D. Preparing Operation and Maintenance Manuals or conducting operator training.
- E. Assisting the Town in preparing for, or appearing at litigation, mediation, arbitration, dispute review boards, or other legal and/or administrative proceedings in the defense or prosecution of claims disputes with Contractor(s).
- F. Performing investigations, studies, and analysis of substitutions of equipment and/or materials or deviations from the drawings and specifications.
- G. Performing investigations, studies, and analysis of work proposed by construction contractors to correct defective work.
- H. Design, contract modifications, studies or analysis required to comply with local, State, Federal or other regulatory agencies that become effective after the date of this Agreement.

- I. Any services required as a result of default of the contractor(s) or the failure, for any reason, of the contractor(s) to complete the work within the contract time.
- J. Providing services made necessary because of unforeseen, concealed, or differing site conditions or due to the presence of hazardous substances in any form.
- K. Providing services to review or evaluate construction contractor(s) claim(s), provided said claims are supported by causes not within the control of Consultant.
- L. Providing value engineering studies or reviews of cost savings proposed by construction contractors after bids have been submitted.
- M. Provide follow-up professional services during Contractor's warranty period.
- N. Furnishing the services of a Resident Project Representative to act as the Town's on-site representative during the Construction Phase.
- O. Detailed settlement studies or other engineering issues resulting from soft soil conditions or other unexpected Site conditions.
- P. Cathodic control design and construction consisting of field evaluations, engineering analysis and construction services.
- Q. Providing easement acquisition services.

III. DELIVERABLES

- | | |
|---|--|
| Task A - Project Management and Meetings | -Meeting agendas and minutes within seven (7) days to summarize the discussion items, decisions, and action items
-Project invoices and monthly one-page reports summarizing project progress and next steps |
| Task B - RRA Update & Recertification Support | -Slides, Agenda, and Minutes from the RRA Workshop and Final RRA review meeting, provided electronically
-Technical Memo summarizing the results of the RRA, provided electronically
-RRA spreadsheet (Excel), provided as an attachment to the Technical Memo, as a separate file |
| Task C - ERP Update & Recertification Support | -One copy of the audited ERP for the Town's update, provided electronically
-Review comments on the Town's Final Updated ERP document, provided electronically |

IV. TIME OF COMPLETION

The Basic Services are proposed as a lump sum fee of Fifty-Seven Thousand Dollars (\$57,000). FNI will complete Task B (Risk and Resilience Assessment) by the EPA deadline of June 30, 2026. Task C (Emergency Response Plan) will be completed by December 31, 2026. To meet AWIA regulations, the RRA certification should be completed by the Town before June 30, 2026, and the ERP certification should be completed before December 31, 2026.

V. RESPONSIBILITIES OF THE TOWN

Town shall perform the following in a timely manner so as not to delay the services of FNI:

- A. Designate in writing a person to act as the Town's representative with respect to the services to be rendered under this Agreement. Such person shall have contract authority to transmit instructions, receive information, interpret, and define the Town's policies and decisions with respect to FNI's services for the Project.
- B. Provide all criteria and full information as to the Town's requirements for the Project.
- C. Assist FNI by placing at FNI's disposal all available information pertinent to the Project, including previous reports and any other data relative to the Project.
- D. Arrange for access to and make all provisions for FNI to enter upon public and private property as required for FNI to perform services under this Agreement.
- E. Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by FNI, obtain advice of an attorney, insurance counselor, and other consultants as the Town deems appropriate for such examination, and render in writing decisions pertaining thereto within a reasonable time so as not to delay, or cause rework in, the services of FNI.
- F. Provide such accounting, independent cost estimating, and insurance counseling services as may be required for the Project, such legal services as the Town may require or FNI may reasonably request regarding legal issues pertaining to the Project.
- G. Give prompt written notice to FNI whenever the Town observes or otherwise becomes aware of any development that affects the scope or timing of FNI's services.

**EXHIBIT B
COMPENSATION/PRICING SCHEDULE**

**PROFESSIONAL ENGINEERING SERVICES AGREEMENT
BETWEEN THE TOWN OF PROSPER, TEXAS, AND FREESE AND NICHOLS, INC.,
FOR THE AMERICAN WATER INFRASTRUCTURE ACT RECERTIFICATION PROJECT**

I. COMPENSATION SCHEDULE

Task	Completion Schedule	Compensation Schedule
Notice-to-Proceed	February 2026	
Task A - Project Management and Meetings	December 2026	\$5,200
Task B - RRA Update & Recertification Support	June 2026	\$40,600
Task C - ERP Update & Recertification Support	December 2026	\$11,200
Total Compensation		\$57,000

II. COMPENSATION SUMMARY

Basic Services (Lump Sum)	Amount
Task A - Project Management and Meetings	\$5,200
Task B - RRA Update & Recertification Support	\$40,600
Task C - ERP Update & Recertification Support	\$11,200
Total Basic Services:	\$57,000

Special Services (Hourly Not-to-Exceed)	Amount
None	\$0
Total Special Services:	\$0

Direct Expenses	Amount
None	\$0
Total Direct Expenses:	\$0

EXHIBIT B COMPENSATION/PRICING SCHEDULE

COMPENSATION

ATTACHMENT CO

Compensation to FNI for Basic Services in Attachment SC shall be the lump sum of Fifty Seven Thousand Dollars (\$57,000).

If FNI sees the Scope of Services changing so that Additional Services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify OWNER for OWNER's approval before proceeding. Additional Services shall be computed based on the following Schedule of Charges.

<u>Position</u>	<u>Hourly Rate</u>	
	<u>Min</u>	<u>Max</u>
Professional 1	105	202
Professional 2	123	209
Professional 3	152	321
Professional 4	166	386
Professional 5	220	400
Professional 6	249	468
Construction Manager 1	116	177
Construction Manager 2	130	213
Construction Manager 3	170	220
Construction Manager 4	180	274
Construction Manager 5	220	335
Construction Manager 6	296	400
Construction Representative 1	94	116
Construction Representative 2	105	134
Construction Representative 3	112	202
Construction Representative 4	144	213
CAD Technician/Designer 1	76	137
CAD Technician/Designer 2	108	216
CAD Technician/Designer 3	144	256
Corporate Project Support 1	80	177
Corporate Project Support 2	87	260
Corporate Project Support 3	108	375
Intern / Coop	58	105

Rates for In-House Services and Equipment

<u>Mileage</u>	<u>Bulk Printing and Reproduction</u>		<u>Equipment</u>	
Standard IRS Rates		<u>B&W</u>	<u>Color</u>	Valve Crew Vehicle (hour) \$75
	Small Format (per copy)	\$0.10	\$0.25	Pressure Data Logger (each) \$500
	Large Format (per sq. ft.)			Water Quality Meter (per day) \$100
<u>Technology Charge</u>	Bond	\$0.25	\$0.75	Microscope (each) \$150
\$8.50 per hour	Glossy / Mylar	\$0.75	\$1.25	Ultrasonic Thickness Guage (per day) \$275
	Vinyl / Adhesive	\$1.50	\$2.00	Coating Inspection Kit (per day) \$275
	Mounting (per sq. ft.)	\$2.00		Flushing / Cfactor (each) \$500
	Binding (per binding)	\$0.25		Backpack Electrofisher (each) \$1,000
				<u>Survey Grade</u> <u>Standard</u>
				Drone (per day) \$200 \$100
				GPS (per day) \$150 \$50

OTHER DIRECT EXPENSES:

Other direct expenses are reimbursed at actual cost times a multiplier of 1.15. They include outside printing and reproduction expense, communication expense, travel, transportation and subsistence away from the FNI office. For other miscellaneous expenses directly related to the work, including costs of laboratory analysis, test, and other work required to be done by independent persons other than staff members, these services will be billed at a cost times a multiplier of 1.15. For Resident Representative services performed by non-FNI employees and CAD services performed in-house by non-FNI employees where FNI provides workspace and equipment to perform such services, these services will be billed at cost times a multiplier of 2.0. This markup approximates the cost to FNI if an FNI employee was performing the same or similar services.

These ranges and/or rates will be adjusted annually in February. Last updated 2025.

360022025

EXHIBIT C INSURANCE REQUIREMENTS

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

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. ISO Form Number GL 00 01 (or similar form) covering Commercial General Liability. "Occurrence" form only, "claims made" forms are unacceptable, except for professional liability.
2. Workers Compensation insurance as required by the Labor Code of the State of Texas, including Employers' Liability Insurance.
3. Automobile Liability as required by the State of Texas, covering all owned, hired, or non-owned vehicles. Automobile Liability is only required if vehicle(s) will be used under this contract.
4. Professional Liability, also known as Errors and Omissions coverage.

B. MINIMUM LIMITS OF INSURANCE

Service Provider shall maintain throughout contract limits not less than:

1. Commercial General Liability: \$500,000 per occurrence /\$1,000,000 in the aggregate for third party bodily injury, personal injury and property damage. Policy will include coverage for:
 - a. Premises / Operations
 - b. Broad Form Contractual Liability
 - c. Products and Completed Operations
 - d. Personal Injury
 - e. Broad Form Property Damage
2. Workers Compensation and Employer's Liability: Workers Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 each accident, \$300,000 Disease- Policy Limit, and \$100,000 Disease- Each Employee.
3. Automobile Liability: \$500,000 Combined Single Limit. Limits can only be reduced if approved by the Town. Automobile liability shall apply to all owned, hired, and non-owned autos.
4. Professional Liability aka Errors and Omissions: \$500,000 per occurrence and in the aggregate.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductible or self-insured retentions in excess of \$10,000 must be declared to and approved by the Town.

D. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain the following provisions:

1. General Liability and Automobile Liability Coverages

- a. The Town, its officers, officials, employees, boards and commissions and volunteers are to be added as "Additional Insured's" relative to liability arising out of activities performed by or on behalf of the provider, products and completed operations of the provider, premises owned, occupied or used by the provider. The coverage shall contain no special limitations on the scope of protection afforded to the Town, its officers, officials, employees or volunteers.
- b. The provider's insurance coverage shall be primary insurance in respects to the Town, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Town, its officers, officials, employees or volunteers shall be in excess of the provider's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Town, its officers, officials, employees, boards and commissions or volunteers.
- d. The provider's insurance shall apply separately to each insured against whom the claim is made or suit is brought, except to the insured's limits of liability.

2. Workers Compensation and Employer's Liability Coverage:

The insurer shall agree to waive all rights of subrogation against the Town, its officers, officials, employees and volunteers for losses arising from work performed by the provider for the Town.

3. All Coverages:

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after 30 days written notice to the Town for all occurrences, except 10 days written notice to the Town for non-payment.

4. Professional Liability and / or Errors and Omissions:

"Claims made" policy is acceptable coverage, which must be maintained during the course of the project, and up to two (2) years after completion and acceptance of the project by the Town.

E. ACCEPTABILITY OF INSURERS

The Town prefers that Insurance be placed with insurers with an A.M. Best's rating of no less than **A- VI**, or better.

F. VERIFICATION OF COVERAGE

Service Provider shall provide the Town with certificates of insurance indicating the coverages required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of insurance similar to the ACORD Form are acceptable. Town will not accept Memorandums of Insurance or Binders as proof of insurance. The Town reserves the right to require complete, certified copies of all required insurance policies at any time.

Certificate holder to be listed as follows:

Town of Prosper
P.O. Box 307
Prosper, TX 75078

EXHIBIT D
CONFLICT OF INTEREST AFFIDAVIT

PROFESSIONAL ENGINEERING SERVICES AGREEMENT
BETWEEN THE TOWN OF PROSPER, TEXAS, AND FREESE AND NICHOLS, INC.,
FOR THE AMERICAN WATER INFRASTRUCTURE ACT RECERTIFICATION PROJECT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

I, Clayton Barnard, a member of the Consultant team, make this affidavit and hereby on oath state the following:

I, and/or a person or persons related to me, have the following interest in a business entity that would be affected by the work or decision on the Project (Check all that apply):

- Ownership of 10% or more of the voting shares of the business entity.
- Ownership of \$25,000.00 or more of the fair market value of the business entity.
- Funds received from the business entity exceed 10% of my income for the previous year.
- Real property is involved, and I have an equitable or legal ownership with a fair market value of at least \$25,000.00.
- A relative of mine has substantial interest in the business entity or property that would be affected by my decision of the public body of which I am a member.
- Other: _____
- None of the Above.

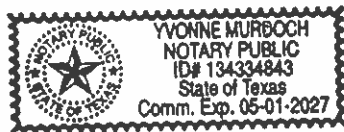
Upon filing this affidavit with the Town of Prosper, Texas, I further affirm that no relative of mine, in the first degree by consanguinity or affinity, as defined in Chapter 573 of the Texas Government Code, is a member of the public body which took action on the agreement.

Signed this 5th day of February, 2026.

Clayton Barnard Vice President
Signature of Official / Title Principal

BEFORE ME, the undersigned authority, this day personally appeared Clayton Barnard and on oath stated that the facts hereinabove stated are true to the best of his / her knowledge or belief.

Sworn to and subscribed before me on this 5th day of February, 2026.



Y Murbach
Notary Public in and for the State of Texas

My Commission expires: 5-01-2027

EXHIBIT E CONFLICT OF INTEREST QUESTIONNAIRE

CONFLICT OF INTEREST QUESTIONNAIRE		FORM CIQ
For vendor doing business with local governmental entity		
<p>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	<p style="text-align: center;">OFFICE USE ONLY</p> <p>Date Received</p>	
<p>1 Name of vendor who has a business relationship with local governmental entity.</p> <p style="text-align: center; font-size: 1.2em;">Freese and Nichols, Inc</p>		
<p>2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</p>		
<p>3 Name of local government officer about whom the information is being disclosed.</p> <p style="text-align: center; font-size: 1.2em;">N/A</p> <p style="text-align: center; font-size: 0.8em;">Name of Officer</p>		
<p>4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.</p> <p style="text-align: center; font-size: 1.2em;">N/A</p> <p>A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p style="text-align: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p style="text-align: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p>		
<p>5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.</p> <p style="text-align: center; font-size: 1.5em;">N/A</p>		
<p>6 <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).</p>		
<p>7</p> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> Signature of vendor doing business with the governmental entity </div> <div style="text-align: center;"> <p style="font-size: 1.2em;">2-5-2020</p> Date </div> </div>		



ENGINEERING SERVICES

To: Mayor and Town Council

From: Lindy M. Higginbotham, P.E., Senior Engineer

Through: Mario Canizares, Town Manager
 Chuck Ewings, Assistant Town Manager
 Hulon T. Webb, Jr., P.E., Director of Engineering Services
 Pete Anaya, P.E., Assistant Director of Engineering – Capital Projects

Re: Reject Proposals: Custer Road 6MG Ground Storage Tank

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 1. Acceleration of Infrastructure

Agenda Item:

Consider and act upon rejecting all proposals received in response to CSP No. 2026-05-B for the Custer Road 6MG Ground Storage Tank.

Description of Agenda Item:

On January 15, 2026, at 2:00 PM, two (2) Competitive Sealed Proposals were received for the Custer Road 6MG Ground Storage Tank project (2412-WA). The project consists of furnishing all labor, equipment and materials (except as otherwise specified), and performing all work necessary for the construction of a new 6MG Ground Storage tank including all necessary yard piping, electrical and instrumentation controls, demolition and improvements to chemical rooms, along with the recoating of two existing ground storage tanks and related appurtenances.

The project was advertised using the Competitive Sealed Proposal Construction alternative procurement method to allow the Town to award the project to the contractor that offers the best value proposal based on the following criteria, which include standard percentages based on direction from the Town Council:

- Qualifications and Experience (10%)
 - Outline contractor and subcontractor experience with similar projects.
 - Outline qualifications of key personnel assigned to this project.
 - Provide references.
- Project Timeline (25%)
- Cost Proposal (65%)

Engineer's Estimate was \$12,963,551, and the budget for the construction of the project is \$13,000,000. The lowest proposal was \$1,993,167 over the Engineer's estimate, and the other proposal was \$3,001,949 over the Engineer's estimate.

Based on the lack of the number of proposals received, and the significant cost differential between the Engineer's estimate, budget, and the two (2) proposals received, Staff is recommending rejecting all proposals so that the project can be re-evaluated and re-advertised in the future. Staff is also researching grant opportunities.

Budget Impact:

There are no adverse budgetary impacts.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the proposed action to reject all proposals as to legality.

Attachments:

1. Location Map
2. Bid Tabulation Summary

Town Staff Recommendation:

Town staff recommends that the Town Council reject all proposals received in response to CSP No. 2026-05-B for the Custer Road 6MG Ground Storage Tank.

Proposed Motion:


I move that the Town Council reject all proposals received in response to CSP No. 2026-05-B for the Custer Road 6MG Ground Storage Tank.

LOCATION MAP



CUSTER ROAD 6MG GROUND STORAGE TANK



	TOWN OF PROSPER PROPOSAL TABULATION SUMMARY						
	Solicitation Number	CSP No. 2026-05-B					
	Solicitation Title	6 MG Ground Storage Tank					
	Close Date	1/15/2026 at 2:00PM					
Responding Supplier	City	State	Response Submitted	Base Bid	Ad Alternate 1	Ad Alternate 2	Total Days
DN Tanks, LLC	Grand Prairie	TX	1/15/2026 01:36:10 PM (CT)	\$14,863,718.00	\$393,700.00	\$93,000.00	595
Preload, LLC	Louisville	KY	1/15/2026 01:44:19 PM (CT)	\$15,733,000.00	\$310,000.00	\$232,500.00	500
<p>**All bids/proposals submitted for the designated project are reflected on this tabulation sheet. However, the listing of the bid/proposal on this tabulation sheet shall not be construed as a comment on the responsiveness of such bid/proposal or as any indication that the agency accepts such bid/proposal as being responsive. The agency will make a determination as to the responsiveness of the vendor responses submitted based upon compliance with all applicable laws, purchasing guidelines and project documents, including but not limited to the project specifications and contract documents. The agency will notify the successful vendor upon award of the contract and, as according to the law, all bid/proposal responses received will be available for inspection at that time.</p>							
Certified by: Jay Carter, NIGP-CPP, CPPB, C.P.M. Purchasing Manager Town of Prosper, Texas		Certified on: January 15, 2026					



ENGINEERING SERVICES

To: Mayor and Town Council

From: Hulon T. Webb, Jr., P.E., Director of Engineering Services

**Through: Mario Canizares, Town Manager
Chuck Ewings, Assistant Town Manager**

Re: ILA City of Frisco – TRAINFO Sensor

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon authorizing the Town Manager to execute an Interlocal Agreement between the City of Frisco, Texas, and the Town of Prosper, Texas, related to the placement of a TRAINFO sensor and related equipment in Prosper.

Description of Agenda Item:

The City of Frisco obtained funding approval from the Regional Transportation Council (RTC) in 2019 as part of the 2020 Traffic Incident Management Equipment Purchase Call for Projects. In 2020, the Executive Board, in its capacity as the RTC's fiduciary agent, authorized the North Central Texas Council of Governments (NCTCOG) to enter into agreements with Frisco as part of the Traffic Incident Management Program. In 2025, the City of Frisco and NCTCOG entered into an Interlocal Agreement setting forth the terms and conditions for implementation of the Traffic Incident Management Program.

The City of Frisco currently utilizes a system, called "Closest to Dispatch", that monitors traffic throughout the city and is able to route public safety operations (police, fire, etc.) to an incident as quickly as possible in the most efficient manner to avoid active construction zones, signal outages, railroad crossing blockage, and other traffic related impacts. What the system is unable to account for is anticipation of when a railroad crossing will be blocked. Through the agreement with NCTCOG, the City of Frisco will be using TRAINFO sensors to monitor train crossings in four strategic locations. Three sensors are proposed in Frisco, and one sensor in Prosper. The benefit of placing a sensor in Prosper for the City of Frisco is the ability to get advanced warning of a train going south into the City of Frisco.

Late last year the City of Frisco met with the Town of Prosper to discuss the proposed placement of the TRAINFO sensor and related equipment in Prosper, and possible shared use of the information collected. In exchange for shared use of the information from the City of Frisco sensors, which would allow the Town of Prosper to anticipate the arrival of a northbound train, the Town of Prosper would be responsible for the maintenance and costs associated with the proposed sensor in the Town of Prosper. In addition, the Town of Prosper would be required to track data for the City of Frisco and TRAINFO on emergency response time differences between

having advanced notification of a train, versus no advanced notification of a train. Since the Town of Prosper would only receive advanced warning for northbound trains coming from the City of Frisco and not southbound trains coming from the City of Celina, coupled with the responsibility of maintaining the sensor and collecting the required data, the decision was made by Town staff to not pursue a shared use Interlocal Agreement.

To meet the needs of the City of Frisco to have advanced notification for southbound trains, Town staff proposed allowing the TRAINFO sensor to remain in the Prosper. The proposed sensor would include a traffic pole for the sensor, cell modem, solar panel, battery, and camera module placed near the railroad crossing on First Street. The City of Frisco would be responsible for all costs associated with the installation, maintenance and operations of the TRAINFO sensor and related equipment. The attached Interlocal Agreement outlines the terms agreed to by the City of Frisco and the Town of Prosper related to the placement of a TRAINFO sensor and related equipment in Prosper.

Budget Impact:

There is no cost to the Town.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has reviewed the agreement as to form and legality.

Attached Documents:

- 1. Interlocal Agreement

Town Staff Recommendation:

Town staff recommends that the Town Council authorize the Town Manager to execute an Interlocal Agreement between the City of Frisco, Texas, and the Town of Prosper, Texas, related to the placement of a TRAINFO sensor and related equipment in Prosper.

Proposed Motion:

I move to authorize the Town Manager to execute an Interlocal Agreement between the City of Frisco, Texas, and the Town of Prosper, Texas, related to the placement of a TRAINFO sensor and related equipment in Prosper.

**INTERLOCAL AGREEMENT BETWEEN THE
TOWN OF PROSPER AND CITY OF FRISCO**

(Installation of Trainfo Equipment)

This Interlocal Agreement for the installation of Trainfo equipment (“Agreement”) is entered into by and between the City of Frisco, Texas, a home-rule municipality (“Frisco”) and the Town of Prosper, Texas, a home-rule municipality (“Prosper”). Frisco and Prosper are at times each referred to herein as a “party” or collectively as the “parties,” acting by and through their authorized representatives.

WHEREAS, it is in the best interest of the citizens of Prosper and Frisco for local governments to cooperate, where possible, in the provision of governmental functions and services where such cooperation will result in a more efficient, higher quality and /or more cost effective provision of such functions, and services that serves the public health and welfare and is of mutual concern to the parties;

WHEREAS, Prosper and Frisco are local governmental entities pursuant to the Interlocal Cooperative Act, Chapter 791 of the Texas Government Code and, as such, may contract with one another for the provision of governmental functions of mutual interest;

WHEREAS, on or about December 18, 2019, the Regional Transportation Council (RTC) approved approximately \$1.5 million for the 2020 Traffic Incident Management Equipment Purchase Call for Projects (the “Project”);

WHEREAS, on July 9, 2020, the RTC approved the funding awards in the Traffic Incident Management Program;

WHEREAS, on July 23, 2020, the Executive Board in its capacity as the RTC’s fiduciary agent, authorized North Central Texas Council of Governments (NCTCOG) to enter into agreements with Frisco as part of the Traffic Incident Management Program;

WHEREAS, on February 20, 2025, Frisco and NCTCOG entered into an Interlocal Agreement setting forth the terms and conditions under which NCTCOG will reimburse Frisco for Implementation of Traffic Incident Management Program (“NCTCOG ILA”);

WHEREAS, as the current Closest To Dispatch (“CTD”) system is unable to account for enhanced features such as railroad crossing blockages, the Project outlined in the NCTCOG ILA proposes to use TRAINFO to enhance the existing CTD system to include three sensor locations in Frisco and one sensor location in Prosper;

WHEREAS, Frisco has determined that placing a Trainfo Sensor, traffic pole for Sensor, cell modem, solar panel, battery, and Trainfo camera module (herein defined as “equipment”) at the predetermined location within Prosper as outlined in Exhibit A will enhance how well the CTD system works in Frisco, and will improve the scope of the Project in accordance with the guidelines and mission of the NCTCOG ILA; and

WHEREAS, Frisco and Prosper desire to enter into this Agreement setting forth the

terms and conditions under which the equipment will be placed at a location in Prosper.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Frisco and Prosper hereby agree as follows:

1. Frisco and Prosper agree and acknowledge that procurement of the equipment is pursuant to the NCTCOG ILA, and Frisco must adhere to applicable guidelines and restrictions set forth in the same.

2. Rights and Duties of Frisco

a. Equipment.

- i. Frisco shall provide and install equipment procured under NCTCOG in Prosper at one (1) agreed location as outlined in NCTCOG ILA. The Scope of this Agreement shall be limited to the one (1) sensor outlined in Exhibit A.
- ii. Frisco reserves the right to inspect such equipment at any time. Should the equipment warrant maintenance, repair, or replacement, Frisco will notify Prosper of the issues that need to be addressed and Frisco shall be responsible for such maintenance, repair, or replacement.
- iii. Prosper agrees to allow Frisco right of access to complete the maintenance, repair, or replacement should the need arise.
- iv. At all times, Frisco retains ownership and control of all equipment subject to this Agreement.

3. Rights and Duties of Prosper.

a. Equipment.

- i. Prosper shall allow Frisco access to install equipment as required under this Agreement. No permit or any other requirements shall be necessary for Frisco to install the Sensor, maintain, repair, or replace (as needed) the same outlined in this Agreement. Prosper will request the necessary line locates for the installation.
- ii. Prosper shall allow Frisco the right of access to perform all maintenance, repair, or replacement required on any equipment provided under this Agreement.
- iii. Prosper shall allow Frisco the right of access to perform an annual preventative maintenance of all of the equipment including but not limited to the battery, the Trainfo Sensor and the traffic pole for Sensor.
- iv. Prosper shall use reasonable efforts to promptly (but not later than 48 hours) notify Frisco in writing of any lost, stolen, damage or inoperable equipment.
- v. Prosper shall allow Frisco to repair any damaged or inoperable equipment.
- vi. Prosper agrees to allow Frisco right of access to the equipment and the surrounding area so Frisco can ensure that all systems work to fulfill the purpose of this Agreement, NCTCOG ILA, and Trainfo Agreement.
- vii. Should the need arise, Prosper shall agree to allow NCTCOG and/or its designee to perform an audit at NCTCOG's discretion.
- viii. Should the need arise, Prosper shall make at least one Prosper employee available during the installation of the equipment.
- ix. Prosper has right of way in the location where the equipment will be installed as outlined in Exhibit A. If the equipment is no longer in use or upon

termination of this Agreement, Prosper shall allow Frisco access to the equipment to be able to uninstall the equipment.

- x. Prosper shall use reasonable efforts to notify Frisco in writing at least thirty (30) days in advance of disposition of Frisco-provided equipment due to obsolescence, failure, or other planned replacement.

4. **Term.** The term of this Agreement shall commence on effective full execution of the Agreement unless terminated earlier in accordance with this Agreement.

5. **Termination.** This Agreement may be terminated on the occurrence of any of the following:

- a. Either party may terminate the Agreement by providing the other party written notice of termination at least thirty (30) days prior to the anticipated date of termination; or
- b. By mutual agreement of termination of the Agreement, executed in writing by both parties, without the requisite thirty (30) days prior written notice.
- c. For Prosper's failure to comply with the terms of the Agreement, Frisco shall have the option to terminate the Agreement effective immediately. This subsection shall survive the termination of this Agreement.

6. **Miscellaneous Provisions.**

a. **Consideration.**

This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the parties hereto.

b. **Indemnity.** TO THE EXTENT AUTHORIZED BY TEXAS LAW, PROSPER SHALL DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS FRISCO, ITS OFFICERS, AGENTS, SERVANTS, REPRESENTATIVES AND/OR EMPLOYEES OF AND FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, LEGAL PROCEEDINGS, DEMANDS, DAMAGES OR JUDGMENTS, INCLUDING ALL EXPENSES, ATTORNEY FEES, WITNESS FEES, COSTS, AND COSTS AND EXPENSES OF APPEALS THEREFROM, ARISING OUT OF PROSPER'S PERFORMANCE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE INTENTIONAL OR NEGLIGENT ACTS AND/OR OMISSIONS OF PROSPER, ITS OFFICERS, AGENTS, SERVANTS, REPRESENTATIVES AND/OR EMPLOYEES, AND REGARDLESS OF THE JOINT OR CONCURRENT NEGLIGENCE OF FRISCO, ITS OFFICERS, AGENTS, SERVANTS, REPRESENTATIVES AND/OR EMPLOYEES. THIS PARAGRAPH SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

c. **Notice.** Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the party to be notified, postage pre-paid and registered or certified with return receipt requested, or be delivered the same in person to such party via a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notification, the addresses of the parties shall be

as follows:

If to Prosper, to: Town of Prosper
 Hulon Webb
 250 W. First St.
 Prosper, TX 75078
 hwebb@prospertx.gov
 972-569-1065

If to Frisco, to: City of Frisco
 Attn: Brian Moen
 6101 Frisco Square Blv, 3rd Floor
 Frisco, Texas 75034
 bmoen@friscotexas.gov
 972-292-5450

- d. Entire Agreement. This Agreement represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both parties.
- e. Venue and Governing Law.
 This Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas, and both parties agree that venue shall be in Collin County, Texas.
- f. Binding Effect.
 This Agreement shall be binding on and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this Agreement.
- g. Authority to Execute.
 The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.
- h. Severability. The provisions of this Agreement are severable. In the event that any paragraph, section, subdivision, sentence, clause or phrase of this Agreement shall be found to be contrary to the law, or contrary to any rule or regulation having the force and effect of the law, such decisions shall not affect the remaining portions of this Agreement. However, upon the occurrence of such event, either party may terminate this Agreement by giving the other party fifteen

(15) days written notice of its intent to terminate.

- i. Amendments. Frisco and Prosper may amend this Agreement only by an instrument in writing signed by both parties.
- j. Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other party.
- k. Assignment. This Agreement is not assignable.
- l. Immunity. It is expressly understood and agreed that, in the execution and performance of this Agreement, the parties have not waived, nor shall be deemed hereby to have waived, any immunity, governmental, sovereign and/or official, or defense that would otherwise be available to them against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein.
- m. Representations. Each signatory represents that this Agreement has been read by the party for which this Agreement is executed, and that each party has had an opportunity to confer with counsel, on the matters contained herein.
- n. Drafting Provisions. This Agreement shall be deemed to have been drafted equally by all parties hereto. The language of all parts of this Agreement shall be constructed as a whole according to its fair and common meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this Agreement.
- o. Independent Contractor. Except as otherwise expressly provided herein, Prosper and Frisco agree and acknowledge that each entity is not an agent of the other entity and that each entity is responsible for its own acts, forbearance, negligence and deeds, and for those of its agents or employees in conjunction with the performance of work covered under this Agreement.
- p. No Third-Party Beneficiaries. Nothing in this Agreement shall be construed to create any right in any third party not a signatory to this Agreement, and the parties do not intend to create any third-party beneficiaries by entering into this Agreement.
- q. Records. By entering into this Agreement, neither party is provided with any contractual right of access to any records or information created, received, or maintained by the other party unless expressly stated herein. Each party is independently responsible for compliance with any requests received pursuant to the Texas Public Information Act, and any third-party seeking information

generated or maintained by a party to this Agreement should submit requests for such information directly to that party.

- r. Waiver. Waiver by either party of any breach of this Agreement, or the failure of either party to enforce any of the provisions of this Agreement, at any time, shall not in any way affect, limit, or waive such party's right thereafter to enforce and compel strict compliance.
- s. Disclaimer and Waiver of Damages.

Prosper agrees the equipment provided by Frisco is provided in an "as is" condition. Prosper agrees that Frisco is not providing any guarantee, representation or warranty, and Frisco hereby disclaims any guarantee, representation or warranty: (1) regarding the condition or suitability of the equipment, in whole or in part; or (2) that the property or equipment of Prosper, its employees, volunteers, agents, or invitees will not be damaged, stolen or in any other way compromised while the same is located in, on, or around the City of Frisco-owned property.

TO THE EXTENT AUTHORIZED BY TEXAS LAW, PROSPER HEREBY AGREES TO RELEASE, ACQUIT, HOLD HARMLESS, PROMISE NOT TO SUE, FOREVER DISCHARGE AND WAIVE ANY AND ALL CLAIMS THAT PROSPER MAY, NOW OR LATER, HAVE AGAINST THE CITY OF FRISCO, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, MEMBERS, HEIRS, LEGATEES, ADMINISTRATORS, EXECUTORS AND ASSIGNS, IN WHOLE OR IN PART, IN BOTH THEIR PRIVATE AND PUBLIC CAPACITIES (COLLECTIVELY, "RELEASEES"). THIS SHALL INCLUDE THE RELEASE OF ANY AND ALL ACTIONS, CAUSES OF ACTIONS, CLAIMS, DEMANDS, DAMAGES, LAWSUITS, COSTS, LOSS OF SERVICES, EXPENSES AND COMPENSATION, WHETHER KNOWN OR UNKNOWN, ON ACCOUNT OF, OR IN ANY WAY ARISING OUT OF OR CONNECTED IN ANY MANNER WITH PROSPER'S USE OF THE EQUIPMENT AND/OR USE OF TRAINFO LICENSE INCLUDING, BUT NOT LIMITED TO, LIABILITY, DAMAGES, INJURY (INCLUDING DEATH), PROPERTY DAMAGE, LEGAL FEES AND/OR COSTS CAUSED BY OR RELATED TO ANY NEGLIGENT OR INTENTIONAL ACT OF ANY RELEASEE.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective when all the parties have signed it. The date this Agreement is signed

by the last party to sign it (as indicated by the date associated with that party’s signature below) will be deemed the effective date of this Agreement (“Effective Date”).

TOWN OF PROSPER, TEXAS

CITY OF FRISCO, TEXAS

Mario Canizares, Town Manager

Wesley S. Pierson, City Manager

Date: _____

Date: _____

ATTEST:

ATTEST:


Michelle Lewis Sirianni, Town Secretary

Kristi Morrow, City Secretary

APPROVED AS TO FORM:

APPROVED AS TO FORM:

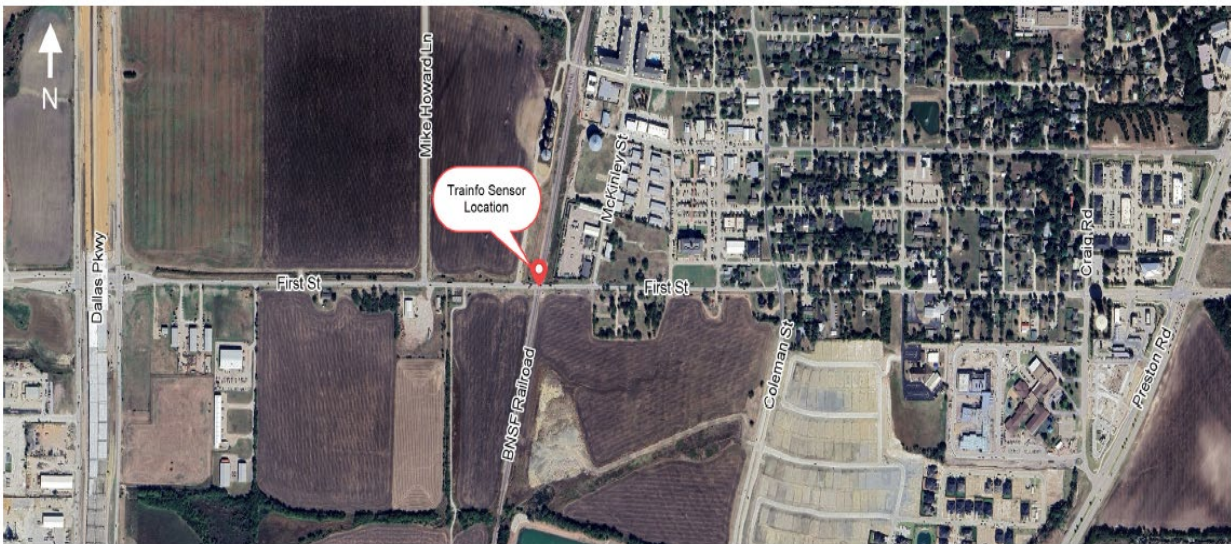
Terrence S. Welch
Town Attorney



Abernathy Roeder Boyd & Hullett, P.C.
Erika Toledo, City Attorneys

EXHIBIT "A"

Exhibit A: At-Grade Railroad Crossing – Prosper, TX





PLANNING

To: Mayor and Town Council

From: David Hoover, AICP, Director of Development Services

**Through: Mario Canizares, Town Manager
Chuck Ewings, Assistant Town Manager**

Re: Notice of Appeals

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 3. Commercial Corridors are ready for Development

Agenda Item:

Consider and act upon whether to direct staff to submit a written notice of appeals on behalf of the Town Council to the Development Services Department, pursuant to Chapter 4, Section 1.5(C)(7) and 1.6(B)(7) of the Town's Zoning Ordinance, regarding action taken by the Planning and Zoning Commission on Preliminary Site Plans and Site Plans.

Description of Agenda Item:

Attached is the Site Plan that was acted on by the Planning and Zoning Commission on February 17, 2026.

Per the Zoning Ordinance, the Town Council can direct staff to submit a written notice of appeal on behalf of the Town Council to the Development Services Department for any Preliminary Site Plans and Site Plans acted on by the Planning and Zoning Commission.

Budget Impact:

There is no budgetary impact affiliated with this item.

Attached Documents:

1. DEVAPP-25-0066 – Prosper Center, Block A, Lot 11 (Approved 6-0)
2. PowerPoint Slides

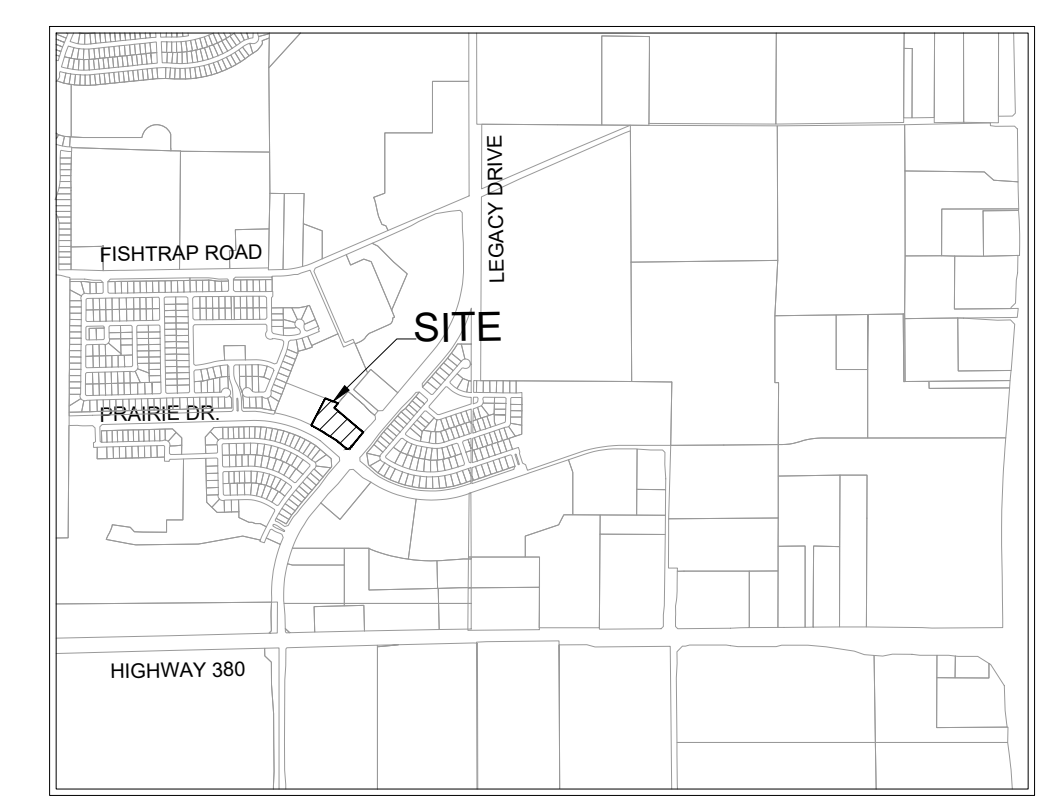
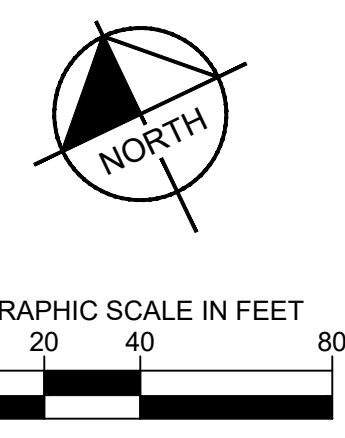
Town Staff Recommendation:

Town Staff recommends the Town Council take no action on this item.

Proposed Motion:

N/A

SITE DATA SUMMARY TABLE		
ZONING	LOT 11 PD-65	
PROPOSED USE	RETAIL/RESTAURANT	
LOT AREA	141,190 SF / 3.241 AC	
BUILDING AREA	BUILDING A	BUILDING B
	RETAIL: 7,000 SF RESTAURANT: 4,350 SF PATIO: 550 SF TOTAL: 11,900 SF	RETAIL: 6,700 SF RESTAURANT: 3,600 SF TOTAL: 10,300 SF
	28' (1 STORY)	28' (1 STORY)
BUILDING HEIGHT	28' (1 STORY)	
LOT COVERAGE	8.04%	
FLOOR AREA RATIO	0.08 : 1	
TOTAL PARKING REQUIRED	RETAIL: 1 / 250 SF OF FLOOR AREA	RESTAURANT: 1 / 100 SF OF FLOOR AREA
	REST (MULTI-TENANT): 1 / 100 SF OF FLOOR AREA	REST (MULTI-TENANT): 1 / 100 SF OF FLOOR AREA
	75	63
TOTAL PARKING PROVIDED	139	
HANDICAP PARKING REQUIRED	6	
HANDICAP PARKING PROVIDED	6	
PARKING LOT LANDSCAPING REQUIRED	2,085 SF / 1.48%	
PARKING LOT LANDSCAPING PROVIDED	4,478 SF / 3.17%	
SQUARE FOOTAGE OF IMPERVIOUS SURFACE	107,279 SF	
OPEN SPACE REQUIRED	9,883 SF / 7.00%	
OPEN SPACE PROVIDED	13,859 SF / 9.82%	



VICINITY MAP
SCALE: 1" = 2,000'

LEGEND

- PROPERTY LINE
- LOT LINE
- - - PROPOSED EASEMENT LINE
- - - EXISTING EASEMENT LINE
- - - BUILDING SETBACK
- - - EXISTING CONTOUR
- - - 635
- - - PROPOSED SWALE
- ⊕ PROPOSED FIRE HYDRANT
- ⊕ FDC
- ⊕ SANITARY SEWER MANHOLE
- ⊕ WATER METER
- ⊕ WATER VALVE
- ⊕ STORM MANHOLE
- ⊕ HEADLIGHT SCREENS
- ▨ PROPOSED FIRE LANE PAVEMENT
- ▨ PROPOSED PRAIRIE DRIVE PAVEMENT
- ▨ EXISTING FIRE LANE PAVEMENT

KEY

- | | |
|------|----------------------------|
| TYP. | TYPICAL |
| BFR | BARRIER FREE RAMP |
| CI | CURB INLET |
| CB | JUNCTION BOX |
| GI | GRATE INLET |
| HW | HEADWALL |
| LS | LANDSCAPE |
| MH | MANHOLE |
| CO | CLEANOUT |
| FH | FIRE HYDRANT |
| WM | WATER METER |
| IRR | IRRIGATION METER |
| FDC | FIRE DEPARTMENT CONNECTION |
| ⊕ | NUMBER OF PARKING SPACES |

NOTES

- ALL DIMENSIONS ARE TO FACE OF CURB UNLESS NOTED OTHERWISE.
- ALL RADII ARE 3' OR 10' UNLESS NOTED OTHERWISE.
- FIRE LANES SHALL BE PROVIDED IN ACCORDANCE WITH THE PROSPER REQUIREMENTS AND SHALL HAVE A MIN. INSIDE TURNING RADIUS OF 30'.
- FIRE HYDRANTS SHALL BE PROVIDED IN ACCORDANCE WITH PROSPER REQUIREMENTS AND WILL BE LOCATED IN A 10' X 10' WATER EASEMENT.
- ALL STOP SIGNS TO BE INSTALLED AT LEAST 4-FT FROM SURFACE UTILITY STRUCTURES.

PROSPER STANDARD NOTES

- ALL DEVELOPMENT STANDARDS SHALL FOLLOW TOWN STANDARDS
- LANDSCAPING SHALL CONFORM TO LANDSCAPE PLANS APPROVED BY THE TOWN OF PROSPER.
- ALL DEVELOPMENT STANDARDS SHALL FOLLOW FIRE REQUIREMENTS PER THE TOWN OF PROSPER.
- HANDICAPPED PARKING AREAS AND BUILDING ACCESSIBILITY SHALL CONFORM TO THE AMERICANS WITH DISABILITIES ACT (ADA) AND WITH THE REQUIREMENTS OF THE CURRENT, ADOPTED BUILDING CODE.
- ALL SIGNAGE IS SUBJECT TO BUILDING OFFICIAL APPROVAL.
- IMPACT FEES WILL BE ASSESSED IN ACCORDANCE WITH THE LAND USE CLASSIFICATION(S) IDENTIFIED ON THE SITE DATA SUMMARY TABLE; HOWEVER, CHANGES TO THE PROPOSED LAND USE AT THE TIME OF CO AND/OR FINISH-OUT PERMIT MAY RESULT IN ADDITIONAL IMPACT FEES AND/OR PARKING REQUIREMENTS.
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- OPEN SPACE REQUIREMENTS SHALL FOLLOW THE ZONING ORDINANCE PER TRACT. OPEN SPACE SHALL NOT INCLUDE VEHICULAR PAVING, REQUIRED PARKING LOT LANDSCAPE ISLANDS, BUILDING FOOTPRINT, UTILITY YARDS, REQUIRED LANDSCAPE SETBACKS, SIDEWALKS, AND DETENTION POND.

SITE PLAN
PROSPER CENTER
BLOCK A, LOT 11
 3.241 ACRES SITUATED IN THE L. NETHERLY,
 ABSTRACT NO. 962
 TOWN OF PROSPER, DENTON COUNTY, TEXAS
 CASE# - DEVAPP-25-0066

WATER METER SCHEDULE

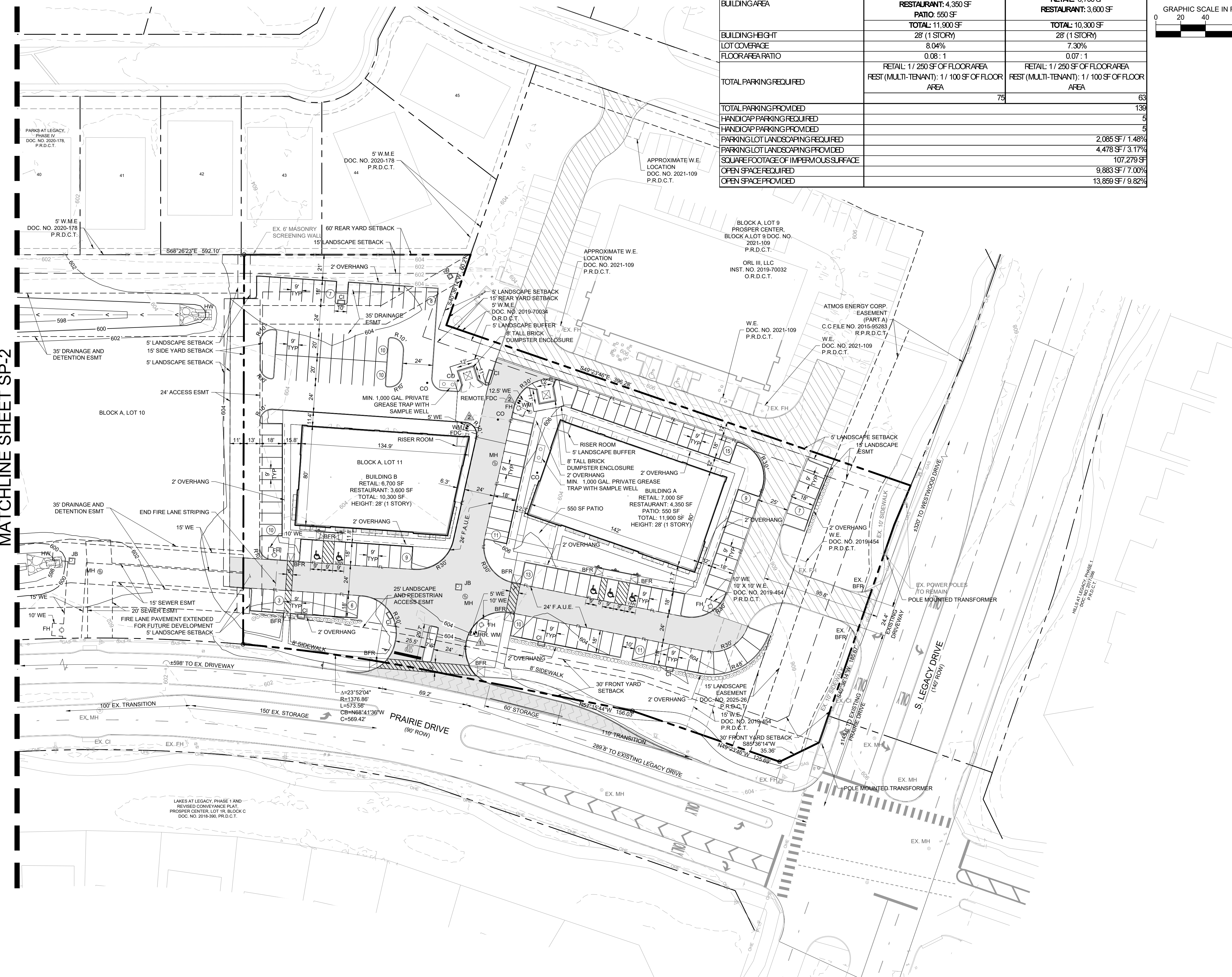
I.D.	TYPE	SIZE	NO.
▲	IRRIGATION	2"	1
▲	DOMESTIC	2"	2

ENGINEER/APPLICANT:
 KIMLEY-HORN AND ASSOCIATES, INC.
 2600 N CENTRAL EXPRESSWAY, STE. 400
 RICHARDSON, TEXAS 75080
 CONTACT: SHAY HUFFMAN, P.E.
 PHONE: (972) 770-1300
 EMAIL: SHAY.HUFFMAN@KIMLEY-HORN.COM

OWNER:
 LEGACY PRAIRIE SE LLC
 2720 WOOD VALE DR
 PROSPER, TX 75078
 CONTACT: SAMBA SIVA RAO KANNAGANTI
 PHONE: (972) 310-2265
 EMAIL: RYCBRANS@GMAIL.COM

PREPARATION DATE: DECEMBER 23, 2025

MATCHLINE SHEET SP-2



SHEET NO. 17
 DATE
 REVISIONS
 No.

Kimley»Horn
 © 2025 KIMLEY-HORN AND ASSOCIATES, INC.
 2600 N CENTRAL EXPRESSWAY, SUITE 400
 RICHARDSON, TX 75080
 PHONE: 214-617-0555
 WWW.KIMLEY-HORN.COM TX F-528

PRELIMINARY
 FOR REVIEW ONLY
 Not for construction or permit purposes.
Kimley»Horn
 Engineer: SHAY HUFFMAN
 P.E. No. 127857 Date: 12/23/2025

KHA PROJECT	060000302
DATE	DECEMBER 2025
SCALE	AS SHOWN
DESIGNED BY	GSP
DRAWN BY	GSP
CHECKED BY	SGH

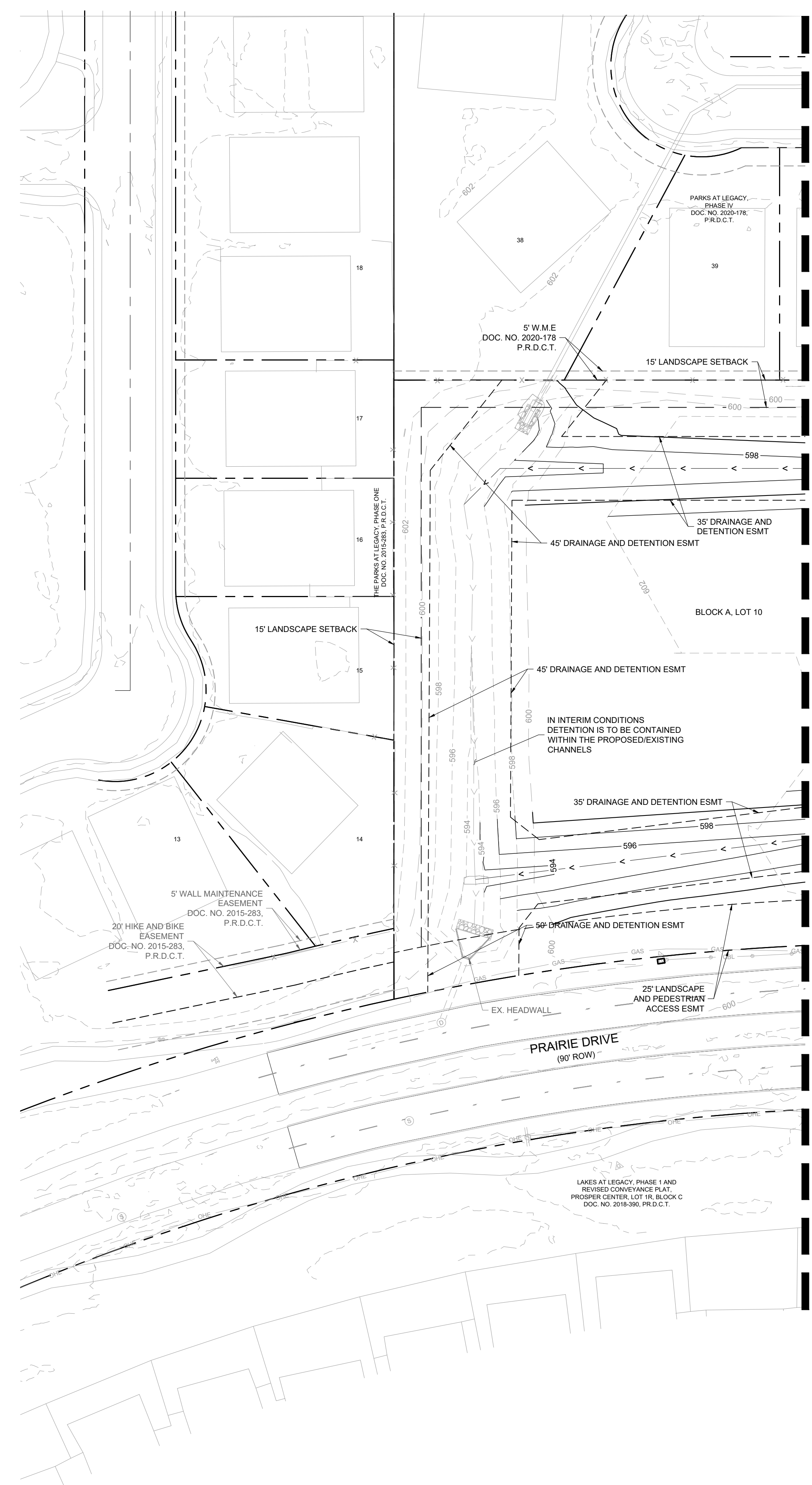
PROSPER CENTER
 LOT 11
 PROSPER, TEXAS

SITE PLAN

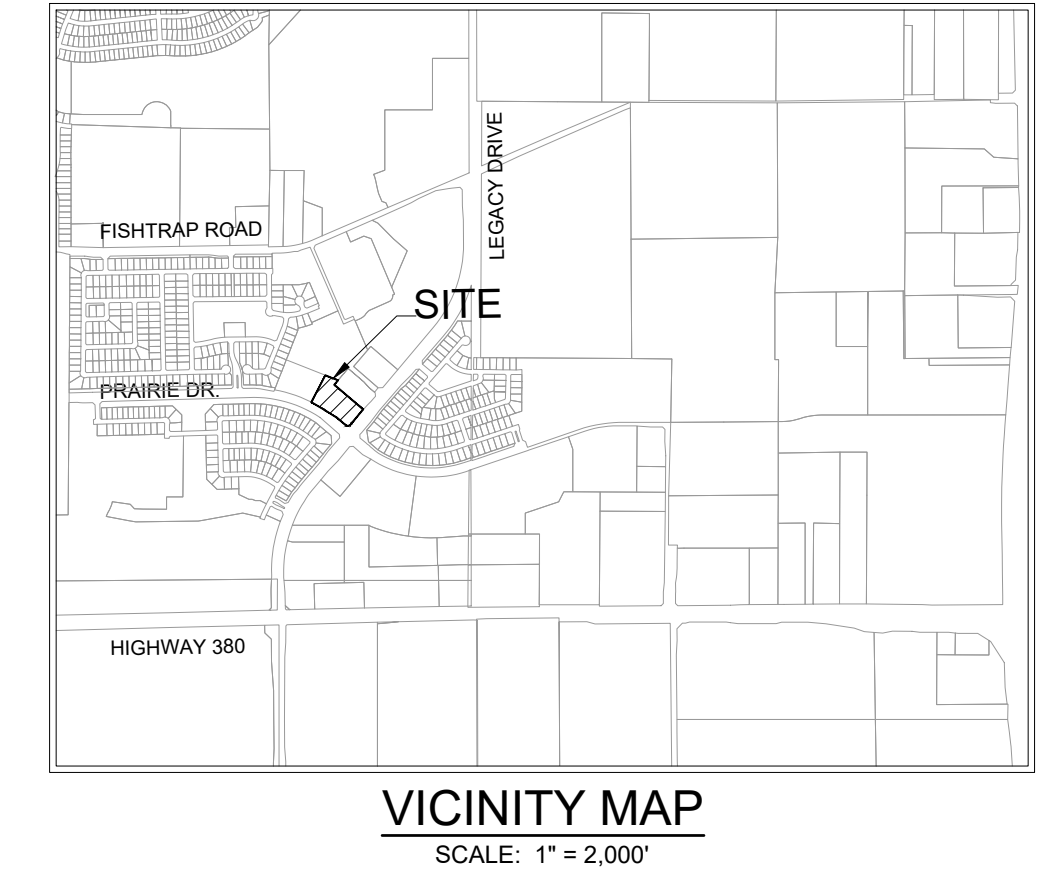
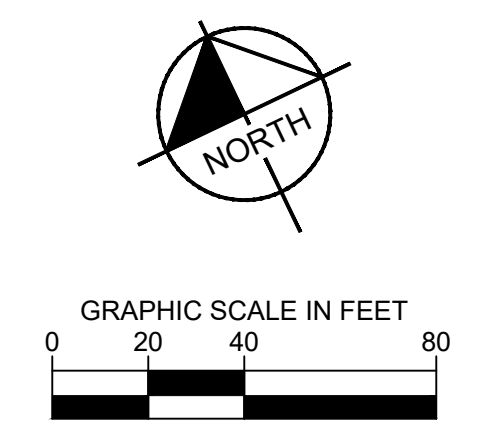
SHEET NUMBER
SP-1

KIMLEY-HORN AND ASSOCIATES, INC.
 2600 N CENTRAL EXPRESSWAY, STE. 400
 RICHARDSON, TEXAS 75080
 PHONE: (972) 770-1300
 FAX: (972) 770-1301
 WWW.KIMLEY-HORN.COM

This document, together with the concepts and designs presented herein, is an instrument of service, is intended only for the specific purpose and client for which it was prepared. Reuse of and improper reliance on this document without written authorization and stipulation by Kimley-Horn and Associates, Inc. shall be without liability to Kimley-Horn and Associates, Inc.



MATCHLINE SHEET SP-1



LEGEND

---	PROPERTY LINE
---	LOT LINE
---	PROPOSED EASEMENT LINE
---	EXISTING EASEMENT LINE
---	BUILDING SETBACK
---	EXISTING CONTOUR
---	PROPOSED SWALE
⊕	PROPOSED FIRE HYDRANT
⊕	FDC
⊕	SANITARY SEWER MANHOLE
⊕	WATER METER
⊕	WATER VALVE
⊕	STORM MANHOLE
⊕	HEADLIGHT SCREENS
▨	PROPOSED FIRE LANE PAVEMENT
▨	PROPOSED PRAIRIE DRIVE PAVEMENT
▨	EXISTING FIRE LANE PAVEMENT

KEY

TYP.	TYPICAL
BFR	BARRIER FREE RAMP
CI	CURB INLET
JB	JUNCTION BOX
GI	GRATE INLET
HW	HEADWALL
LS	LANDSCAPE
MH	MANHOLE
CO	CLEANOUT
FH	FIRE HYDRANT
WM	WATER METER
IRR	IRRIGATION METER
FDC	FIRE DEPARTMENT CONNECTION
⊕	NUMBER OF PARKING SPACES

- NOTES**
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SITE PLAN
PROSPER CENTER
BLOCK A, LOT 11
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ENGINEER/APPLICANT:
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 CONTACT: SAMBA SIVA RAO KANNEGANTI
 PHONE: (972) 310-2265
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PREPARATION DATE: DECEMBER 23, 2025

PROSPER CENTER
LOT 11
SITE PLAN

SHEET NUMBER
SP-2

PROSPER, TEXAS

KIMLEY-HORN

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 2600 N CENTRAL EXPRESSWAY, SUITE 400
 RICHARDSON, TX 75080
 PHONE: 214-617-0555
 WWW.KIMLEY-HORN.COM TX F-928

KHA PROJECT 060000302	DATE DECEMBER 2025
SCALE AS SHOWN	DESIGNED BY GSP
DRAWN BY GSP	CHECKED BY SGH

	No.
	DATE
	REVISIONS

Item 17.

Prosper Center, Block A, Lot 11 (DEVAPP-25-0066)

Information

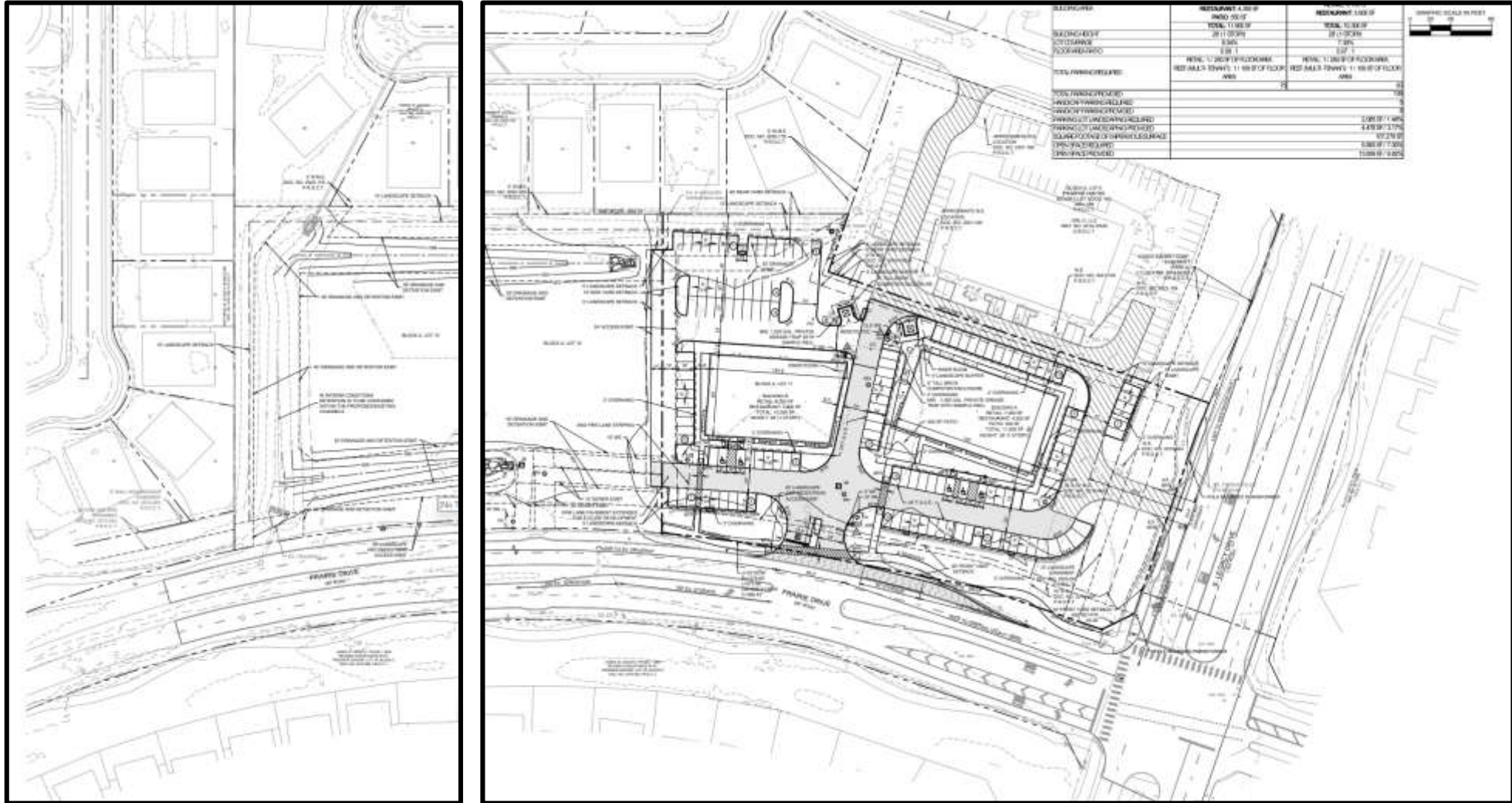
Purpose:

- Construct two restaurant/retail buildings totaling 22,200 square feet and associated parking.
 - Restaurant/Retail Building (11,900 SF)
 - Restaurant/Retail Building (10,300 SF)

History:

- A Preliminary Site Plan (DEVAPP-25-0041) was approved by the Planning and Zoning Commission on June 17, 2025.
 - The Site Plan conforms to the approved Preliminary Site Plan.





Approved Preliminary Site Plan (DEVAPP-25-0041)

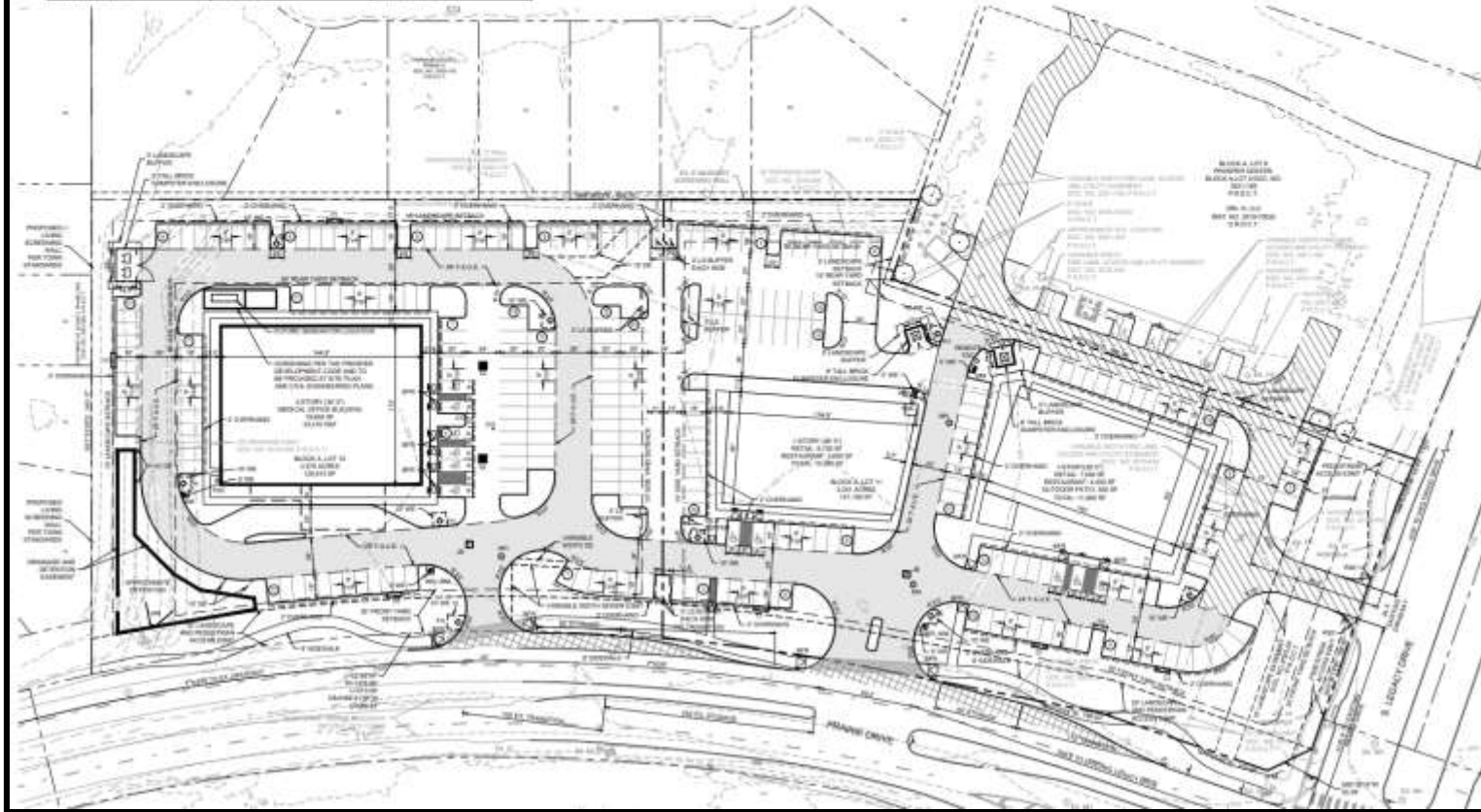
SITE DATA SUMMARY TABLE		
ITEM	LOT 60	LOT 11
DEVELOP	40,440	40,440
IMPROVEMENTS	2,250 (PARKING) + 2,850 (AC)	760 (PARKING) + 2,850 (AC)
LOT AREA	120,440 SF (2.85 AC)	141,780 SF (3.24 AC)
BUILDING AREA	16,800 SF (0.38 AC)	32,300 SF (0.74 AC)
BUILDING HEIGHT	30'	30'
DECK AREA	12,000 SF	10,700 SF
FLOOR AREA RATIO	0.14	0.23
TOTAL PARKING REQUIRED	1/200 SF OF FLOOR AREA	1/200 SF OF FLOOR AREA
TOTAL PARKING PROVIDED	134	130
MINIMUM PARKING REQUIRED	81	81
MINIMUM PARKING PROVIDED	81	81
PARKING LOT LINE DEVELOPMENT REQUIRED	2,300 SF (0.05 AC)	2,300 SF (0.05 AC)
PARKING LOT LINE DEVELOPMENT PROVIDED	3,500 SF (0.08 AC)	4,140 SF (0.09 AC)
REQUIRED COVERAGE OF PARKING SURFACE	86.8% OF	100.0% OF
OPEN SPACE PROVIDED	0.015 (0.0004 AC)	0.005 (0.0001 AC)
OPEN SPACE REQUIRED	0.000 (0.0000 AC)	0.000 (0.0000 AC)

NOTES

1. ALL DIMENSIONS ARE TO FACE OF CURB UNLESS NOTED OTHERWISE.
2. ALL ROAD AND TOP OF FINISH NOTES TO APPLY.
3. THIS SITE PLAN SHALL BE PROVIDED AS APPROVED WITH THE PROPOSED IMPROVEMENTS AND SHALL BE PROVIDED TO ACCOMPANY ANY OTHER REQUIREMENTS AND SHALL BE PROVIDED TO ALL APPLICABLE AGENCIES.
4. ALL UTILITIES SHALL BE PROVIDED AT LEAST 4 FT FROM EXISTING STREET STRUCTURES.

PROSPER STANDARD NOTES

1. ALL DEVELOPMENT PROPOSED SHALL FOLLOW TOWN ORDINANCES.
2. LANDSCAPE SHALL CONFORM TO LANDSCAPE PLAN APPROVED BY THE TOWN OF PROSPER.
3. ALL DEVELOPMENT PROPOSED SHALL FOLLOW THE REQUIREMENTS OF THE TOWN OF PROSPER.
4. UNDEVELOPED PARKING AREAS AND AREAS TO BE PROVIDED BY OWNER SHALL CONFORM TO THE UNDEVELOPED AREAS AND AREAS TO BE PROVIDED BY OWNER OF THE SUBJECT PROPERTY.
5. ALL PROPOSED DEVELOPMENT SHALL BE PROVIDED TO ACCOMPANY THE LAND USE CLASSIFICATION SET FORTH IN THE SITE DATA SUMMARY TABLE. HOWEVER, CHANGES TO THE PROPOSED AND USE OF THE SITE SHALL BE PROVIDED TO ACCOMPANY ANY OTHER REQUIREMENTS AND SHALL BE PROVIDED TO ALL APPLICABLE AGENCIES.
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PLANNING

To: Mayor and Town Council

From: David Hoover, AICP, Director of Development Services

**Through: Mario Canizares, Town Manager
Chuck Ewings, Assistant Town Manager**

Re: Specific Use Permit for Accessory Building/Guest House

Town Council Meeting – March 10, 2026

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Conduct a Public Hearing and consider and act upon a request for a Specific Use Permit for an Accessory Building/Guest House on Whispering Farms, Phase 2, Block G, Lot 9, on 5.1± acres, located on the south side of Whispering Way and 530± feet west of Parkview Lane. (ZONE-26-0001)

Future Land Use Plan:

The Future Land Use Plan recommends Low Density Residential.

Zoning:

The property is zoned Planned Development-5 (Single Family-15).

Thoroughfare Plan:

This property has access to Whispering Way.

Parks Master Plan:

The Parks Master Plan does not indicate a park is needed on the subject property.

Budget Impact:

There is no budgetary impact affiliated with this item.

Legal Obligations and Review:

Notification was provided as required by the Zoning Ordinance and state law. Staff has received one response in support of the proposed zoning request to date.

Attached Documents:

1. Aerial & Zoning Map
2. Exhibit A – Boundary Exhibit
3. Exhibit B – Site Plan

4. Exhibit D – Elevations
5. HOA Approval Letter
6. Letter of Support (Dunn, D.)
7. PowerPoint Slides

Description of Agenda Item:

The purpose of this request is to obtain a Specific Use Permit to construct an accessory building/guest house that exceeds 4,000 square feet on a single-family lot.

Compatibility:

The zoning and land use of the surrounding properties are shown below.

	Zoning	Current Land Use	Future Land Use Plan
Subject Property	Planned Development-5	Single-Family	Low Density Residential
North	Planned Development-5	Single-Family	Low Density Residential
East	Planned Development-5	Single-Family	Low Density Residential
South	Planned Development-5	Pond	Parks
West	Planned Development-5	Single-Family	Low Density Residential

Accessory Building Standards:

Per Planned Development-5, detached free standing garages with living quarters are a permitted use and referred to as accessory buildings. The proposed structure is 6,875 square feet.

Per the Town’s Zoning Ordinance, an accessory building that exceeds 4,000 square feet requires a Specific Use Permit.

Specific Use Permit Criteria:

The Zoning Ordinance contains the following four (4) criteria to be considered in determining the validity of an SUP request.

1. *Is the use harmonious and compatible with its surrounding existing uses or proposed uses?*
 - *Yes, the use is harmonious and compatible with its surrounding existing uses and proposed uses because it is allowed within residential areas.*
2. *Are the activities requested by the applicant normally associated with the requested use?*
 - *Yes, an accessory structure/guest house may be permitted on a single-family lot, per the Planned Development. Per the Town’s Zoning Ordinance, accessory structures with living quarters or guest houses of a maximum area of 4,000 square feet can only be on lots that are one acre or larger. Due to the size of the lot being over five acres, having a larger sized accessory structure is not out of character.*
3. *Is the nature of the use reasonable?*
 - *Yes, the nature of the use is reasonable as it is a permitted use in the zoning for the area.*

4. *Has any impact on the surrounding area been mitigated?*

- Yes, the impact on the surrounding area has been mitigated as the applicant has received approval from the Whispering Farms Homeowner's Association for the structure.

Town Staff Recommendation:

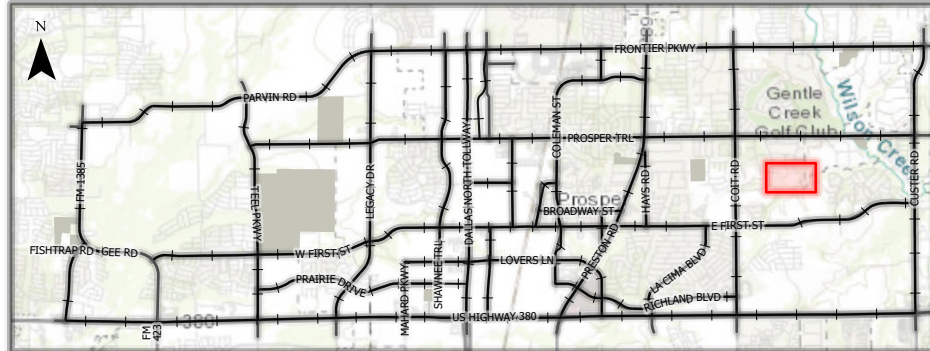
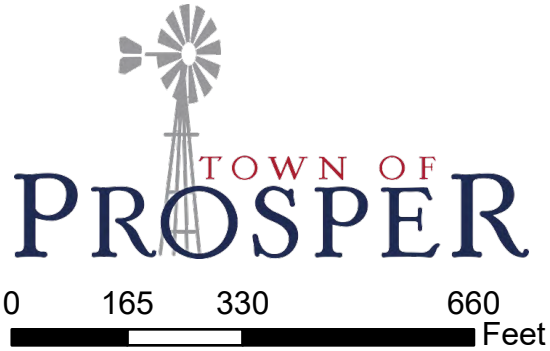
Town Staff recommends approval of the request for a Specific Use Permit for an Accessory Building/Guest House on Whispering Farms, Phase 2, Block G, Lot 9, on 5.1± acres, located on the south side of Whispering Way and 530± feet west of Parkview Lane.

Planning and Zoning Recommendation:

The Planning and Zoning Commission unanimously recommended approval of this item by a vote of 5-0 at their meeting on March 3, 2026.

Proposed Motion:

I move to approve/deny a request for a Specific Use Permit for an Accessory Building/Guest House on Whispering Farms, Phase 2, Block G, Lot 9, on 5.1± acres, located on the south side of Whispering Way and 530± feet west of Parkview Lane.

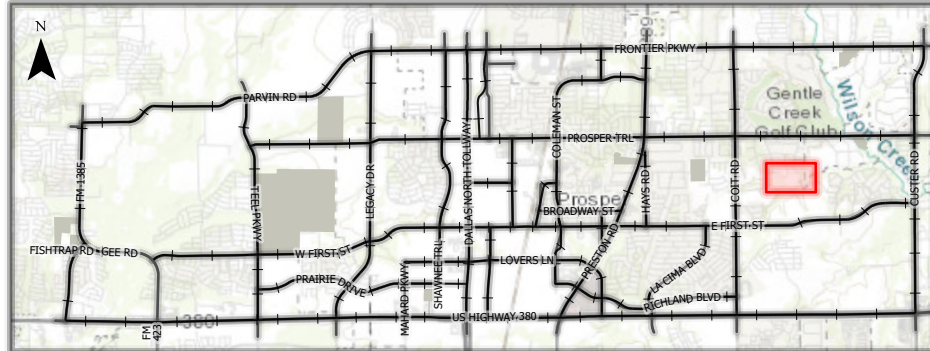
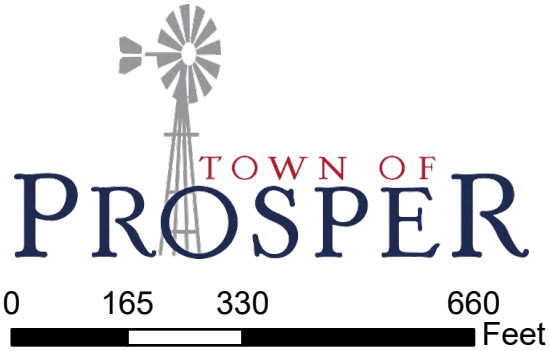
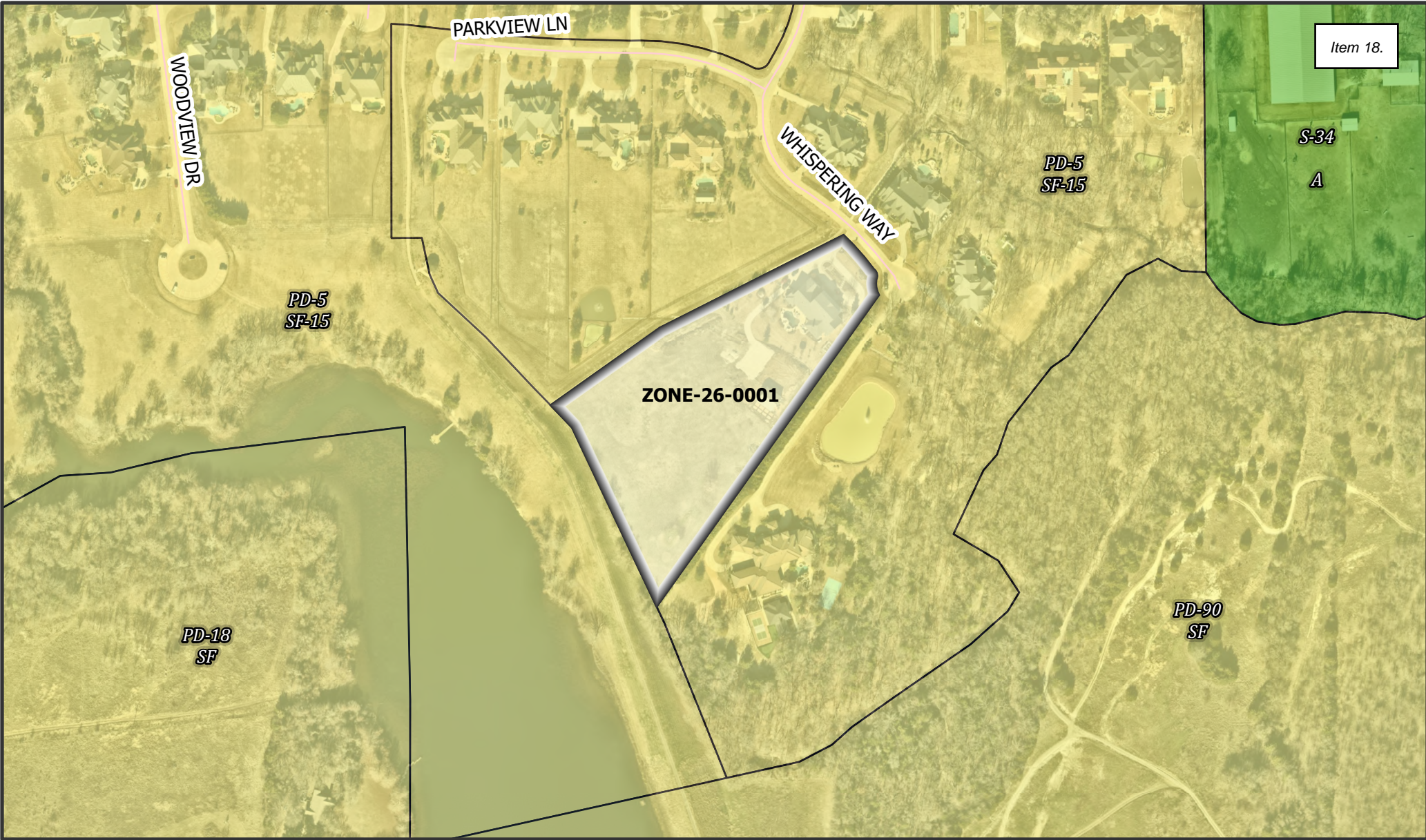


This map for illustration purposes only

ZONE-26-0001

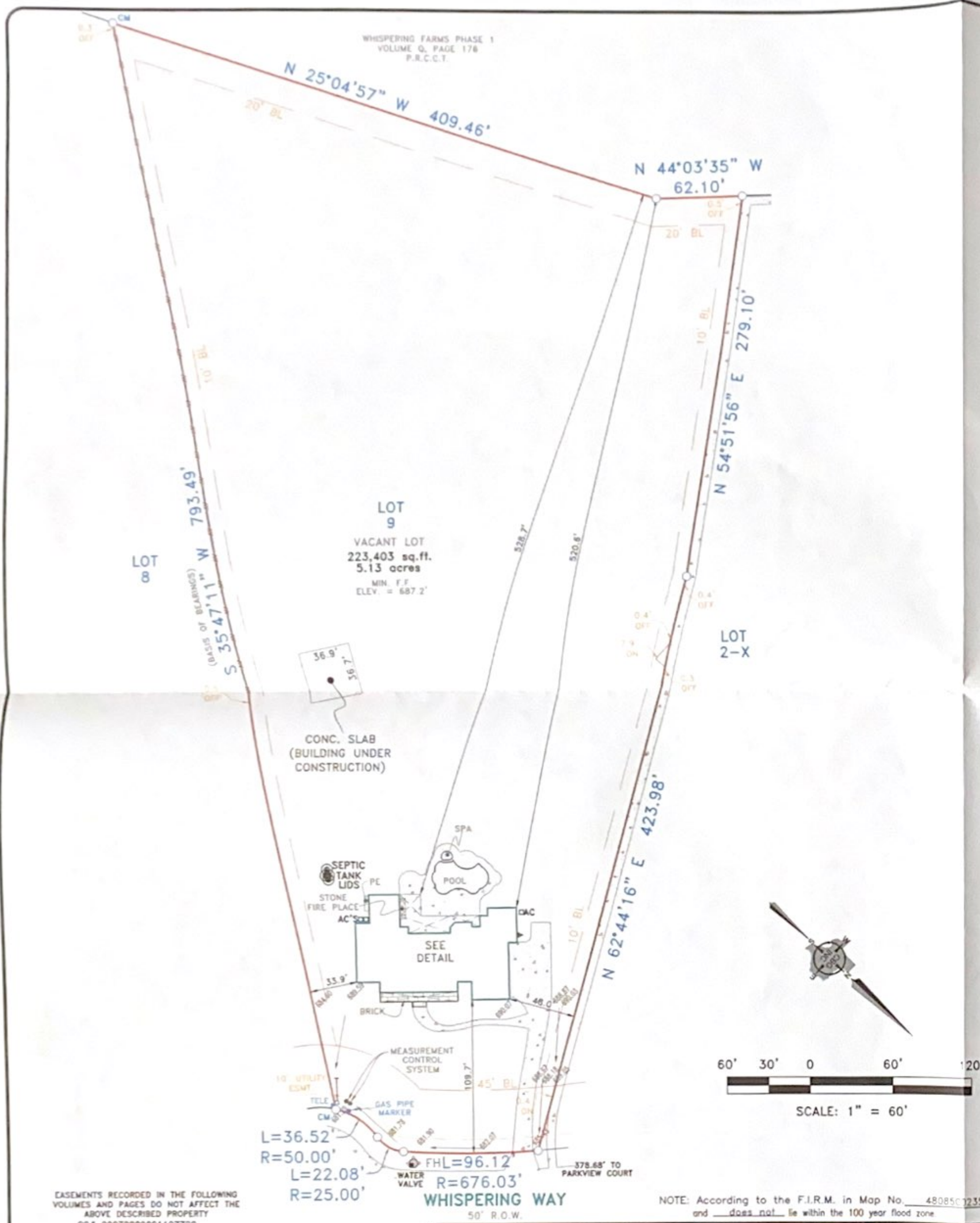
Whispering Farms, Phase 2,
Block G, Lot 9

Specific Use Pe Page 277



ZONE-26-0001
 Whispering Farms, Phase 2,
 Block G, Lot 9
 Specific Use Pe

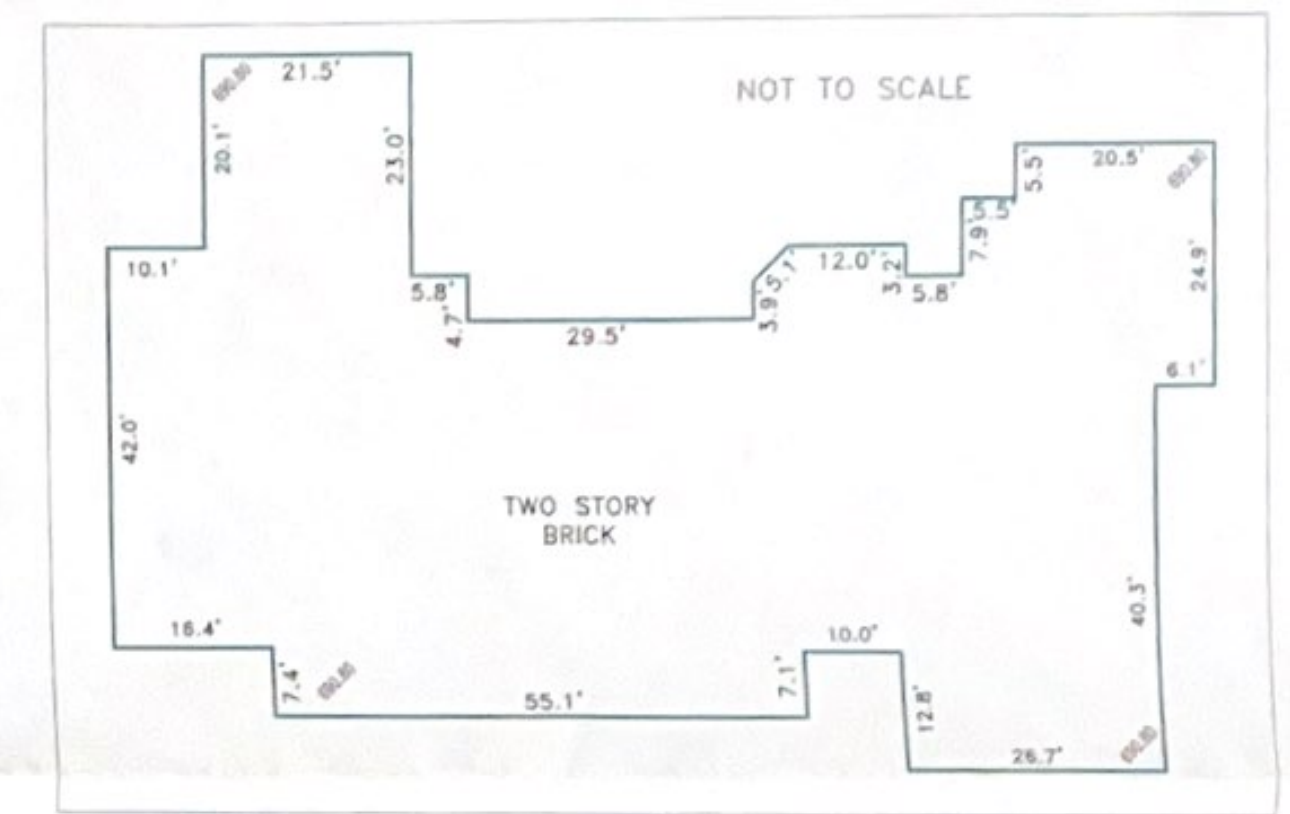
This map for illustration purposes only



741 Whispering Way

Being Lot 9, Block G, WHISPERING FARMS-PHASE 2, an Addition to the Town of Prosper, Collin County, Texas, according to the Map or Plat recorded in Volume 2006, Page 48, Map Records of Collin County, Texas.

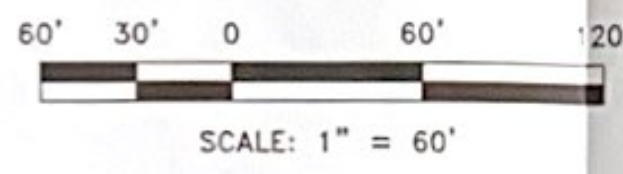
EXHIBIT A: BOUNDARY EXHIBIT FOR PROPERTY (ZONE: 26-0001)



SURVEYOR'S CERTIFICATE

The undersigned Registered Professional Land Surveyor (Thomas Mauk) hereby certifies to (David Michael Robison, Amy Lynn Robison, and Capital Title), in connection with the transaction described in G.F.14-195155-FG that, (a) this survey and the property description set forth hereon were prepared from an actual on-the-ground survey; (b) such survey was conducted by the Surveyor, or under his direction; (c) all monuments shown hereon actually existed on the date of the survey, and the location, size and type of material thereof are correctly shown; Use of this survey by any other parties and/or for other purposes shall be at User's own risk and any loss resulting from other use shall not be the responsibility of the undersigned. The plat hereon is a correct and accurate representation of the property lines and dimensions as is indicated; location and type of buildings are as shown; and EXCEPT AS SHOWN, all improvements are located within the boundaries the distances indicated and there are no visible and apparent encroachments or protrusions on the ground.

Executed this 29th day of May, 2015.
 [Signature]
 Thomas Mauk
 Registered Professional Land Surveyor No. 5119



NOTE: According to the F.I.R.M. in Map No. 480850235 J, this property does lie in Zone X and does not lie within the 100 year flood zone.

ACCEPTED BY: _____ SIGNATURE _____ DATE _____ SIGNATURE _____ DATE _____

EASEMENTS RECORDED IN THE FOLLOWING VOLUMES AND PAGES DO NOT AFFECT THE ABOVE DESCRIBED PROPERTY
 CC# 20070809001107720

NOTE: PROPERTY SUBJECT TO TERMS, CONDITIONS, AND EASEMENTS CONTAINED IN INSTRUMENT RECORDED IN
 CC# 20060216000208760, 20070710000947780
 CC# 20070919001308350, 20080502000531890
 CC# 20080804000946100, 20080502000531900
 CC# 20080905001074430, 20090106000013300
 CC# 201109130000967730, 20140820000894900

REVISIONS		
DATE	BY	NOTES

LEGEND	
○	CONTROLLING MONUMENT
○	1/2" IRON ROD FOUND
○	1/2" IRON ROD SET
○	1" IRON PIPE FOUND
□	FENCE POST CORNER
□	"X" FOUND / SET
▲	UNDERGROUND ELECTRIC
▲	OVERHEAD ELECTRIC
●	POWER POLE
—	ASPHALT PAVING
—	GRAVEL/ROCK ROAD OR DRIVE
PE	POOL EQUIPMENT
■	BRICK COLUMN
AC	AIR CONDITIONING
◆	FIRE HYDRANT
—	OES - OES
—	OMP - OMP
○	CHAIN LINK FENCE
○	WOOD FENCE
○	0.5" WIDE TYPICAL BARBED WIRE
—	IRON FENCE
—	PIPE FENCE
—	COVERED PORCH, DECK OR CARPORT
—	OVERHEAD ELECTRIC SERVICE
—	OVERHEAD POWER LINE
—	CONCRETE PAVING

C.B.G. Surveying, Inc.
 12025 Shiloh Rd, Suite 230
 Dallas, Texas 75228
 P 214-349-9485 F 214-349-2216
 Firm No. 10168800
 www.cbgsurvey.com

SCALE	DATE	JOB NO.	G.F. NO.	DRAWN
1" = 60'	5/29/2015	1410807-2	14-195155-FG	CPC

FINAL SURVEY

LOT 9, BLOCK G, WHISPERING FARMS-PHASE 2

TOWN OF PROSPER, COLLIN COUNTY

741 WHISPERING WAY

DFW IMPROVED
6652 Placent Drive
Suite 100
Plano, Texas
75024
Office - 972-377-7600
www.dfwimproved.com



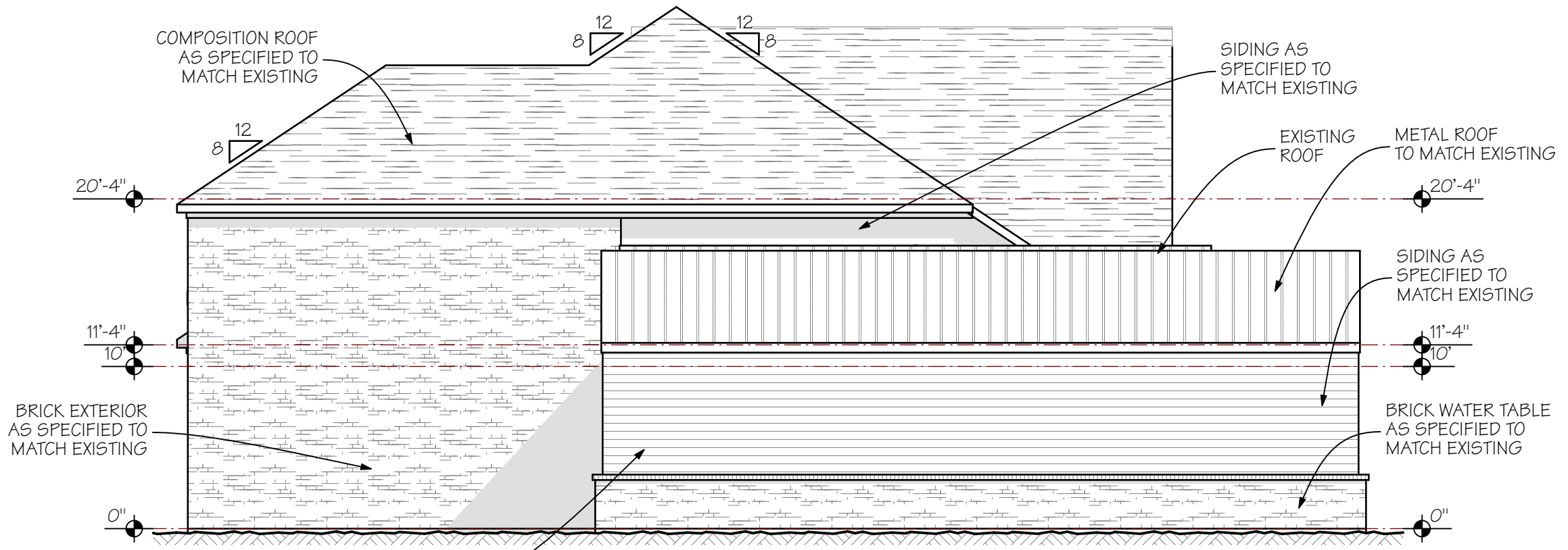
#2535

THE
KUHAR RESIDENCE
GARAGE ADDITION
741 WHISPERING WAY
PROSPER, TX

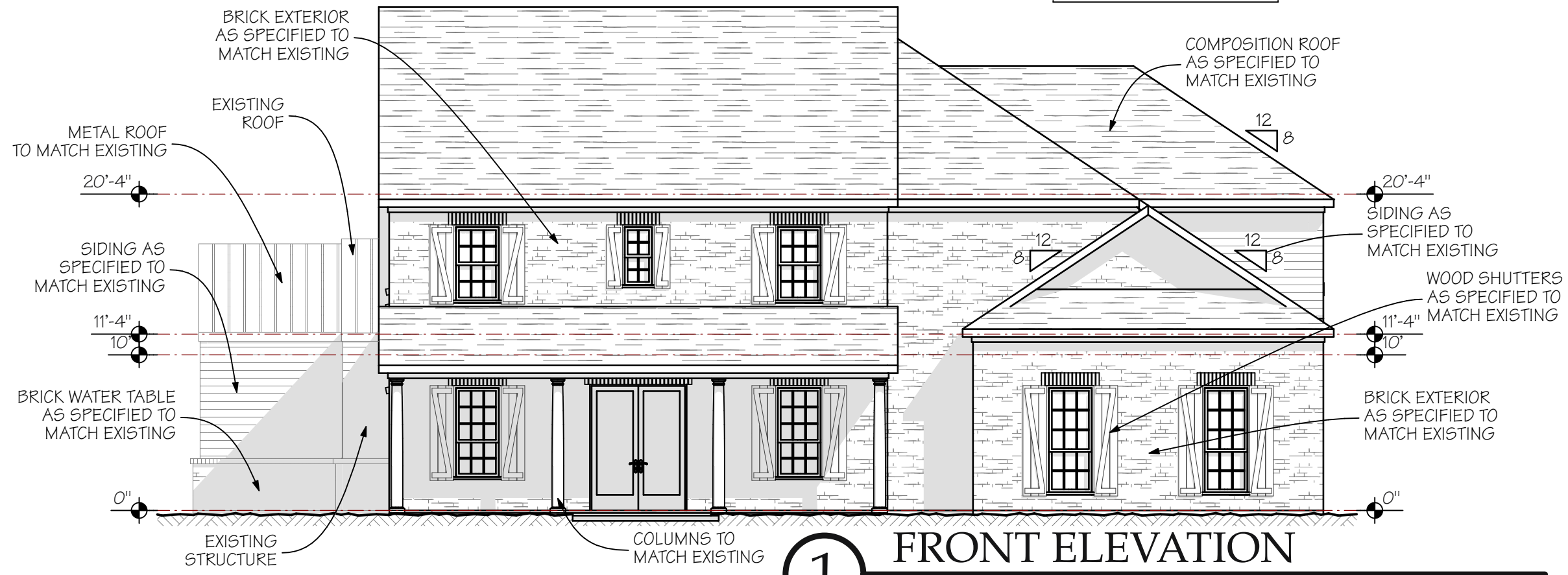
NOT FOR
CONSTRUCTION

SHEET INFORMATION:

Original Design Date:	START DATE 00/00/14
Issue Date:	2/17/26
File Name:	Kuhar 2 - WOW.pln
Designed by:	Greg Richmond
This file last opened on:	2/17/26, 2:53PM
Sheet Number:	



2 REAR ELEVATION
SCALE: 1/8" = 1'-0"

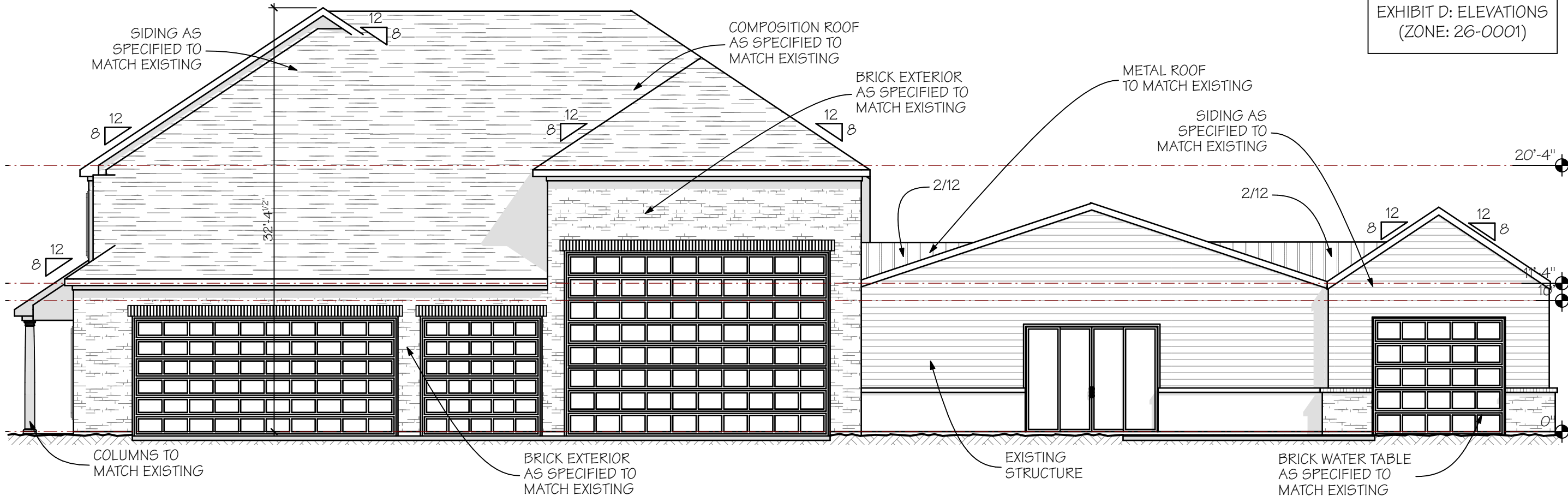


1 FRONT ELEVATION
SCALE: 1/8" = 1'-0"

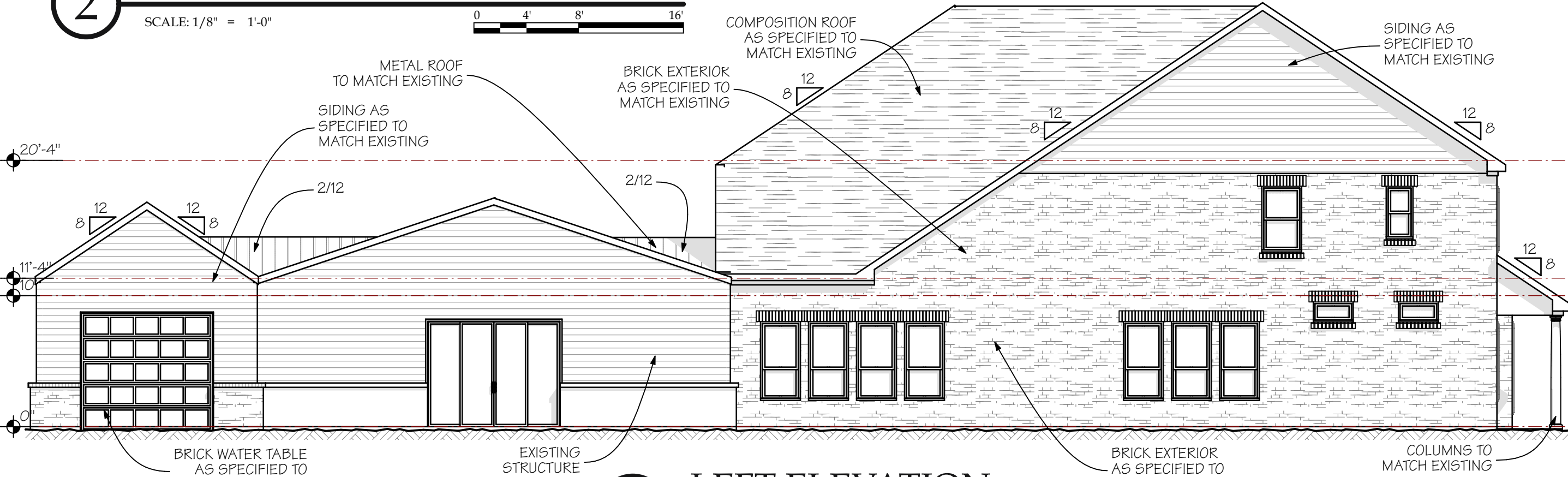
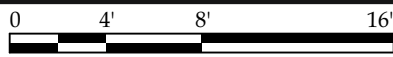


SHEET INFORMATION:

Original Design Date:	START DATE 00/00/14
Issue Date:	2/17/26
File Name:	Kuhar 2 - WOW.pln
Designed by:	Greg Richmond
This file last opened on:	2/17/26, 2:54PM
Sheet Number:	



2 RIGHT ELEVATION
SCALE: 1/8" = 1'-0"



1 LEFT ELEVATION
SCALE: 1/8" = 1'-0"



Whispering Farms
SBB Management Co.
12801 N. Central Expressway
Suite 1401 Dallas, TX 75243
Main Phone: (972) 960-2800 Fax: (972) 991-6642
Website: <https://sbbmanagement.com/>

Item 18.

Date: 10/13/2025 6:23:48 PM

Project Ref: [57280833] 741 Whispering Way

Michelle G Kuhar & Paul E Kuhar, Jr
741 Whispering Way
Prosper TX 75078

Dear **Michelle G Kuhar & Paul E Kuhar, Jr,**

I am pleased to inform you that the Whispering Farms Architectural Committee has approved your application for the listed project item(s):

Add guest house & garage

The approval is contingent upon compliance with the specifications set forth in the approved application. If your change or addition requires a county, city or state permit, it is the responsibility of the homeowner to obtain this before starting construction and to be aware of and comply with all city code compliance issues. In addition this approval is contingent on compliance with Whispering Farms's CC&Rs.

Please be advised that Whispering Farms does not warrant any improvements including structural design, functional concerns, and building code compliance issues.

Please retain this letter in your files. If you have any questions regarding this matter, please contact our office at (972) 960-2800 or email us at sbbmgmtllc@sbbmanagement.com.

On behalf of the ACC Committee
Sincerely,

Whispering Farms



**DEVELOPMENT SERVICES
DEPARTMENT**
250 W. First Street
Prosper, TX 75078
Phone: 972-346-3502

REPLY FORM

SUBJECT:

A Specific Use Permit for an Accessory Building/Guest House on Whispering Farms, Phase 2, Block G, Lot 9, on 5.1± acres, zoned Planned Development-5. (ZONE-26-0001)

LOCATION OF SUBJECT PROPERTY:

The property is located on the south side of Whispering Way and 530± feet west of Parkview Lane.

I **OPPOSE** the request as described in the notice. If in opposition, please provide a reason for opposition.

I **DO NOT OPPOSE** the request as described in the notice.

COMMENTS (ATTACH ADDITIONAL SHEETS IF NECESSARY):

Brian & Debbie Dunn
Name (please print)

Debbie M. Tamm
Signature

701 Whispering Way
Address

2/25/24
Date

Prosper, TX 75078
City, State, and Zip Code

[Redacted]
E-mail Address

[Redacted]
Phone Number

SUP 741 Whispering Way ZONE-26-0001

Agenda Item

Conduct a Public Hearing and consider and act upon a request for a Specific Use Permit for an Accessory Building/Guest House on Whispering Farms, Phase 2, Block G, Lot 9, on 5.1± acres, located on the south side of Whispering Way and 530± feet west of Parkview Lane. (ZONE-26-0001)

Information

Purpose:

- Obtain a Specific Use Permit for a 6,875 square foot accessory building/guest house.
 - Required for accessory buildings more than 4,000 square feet.

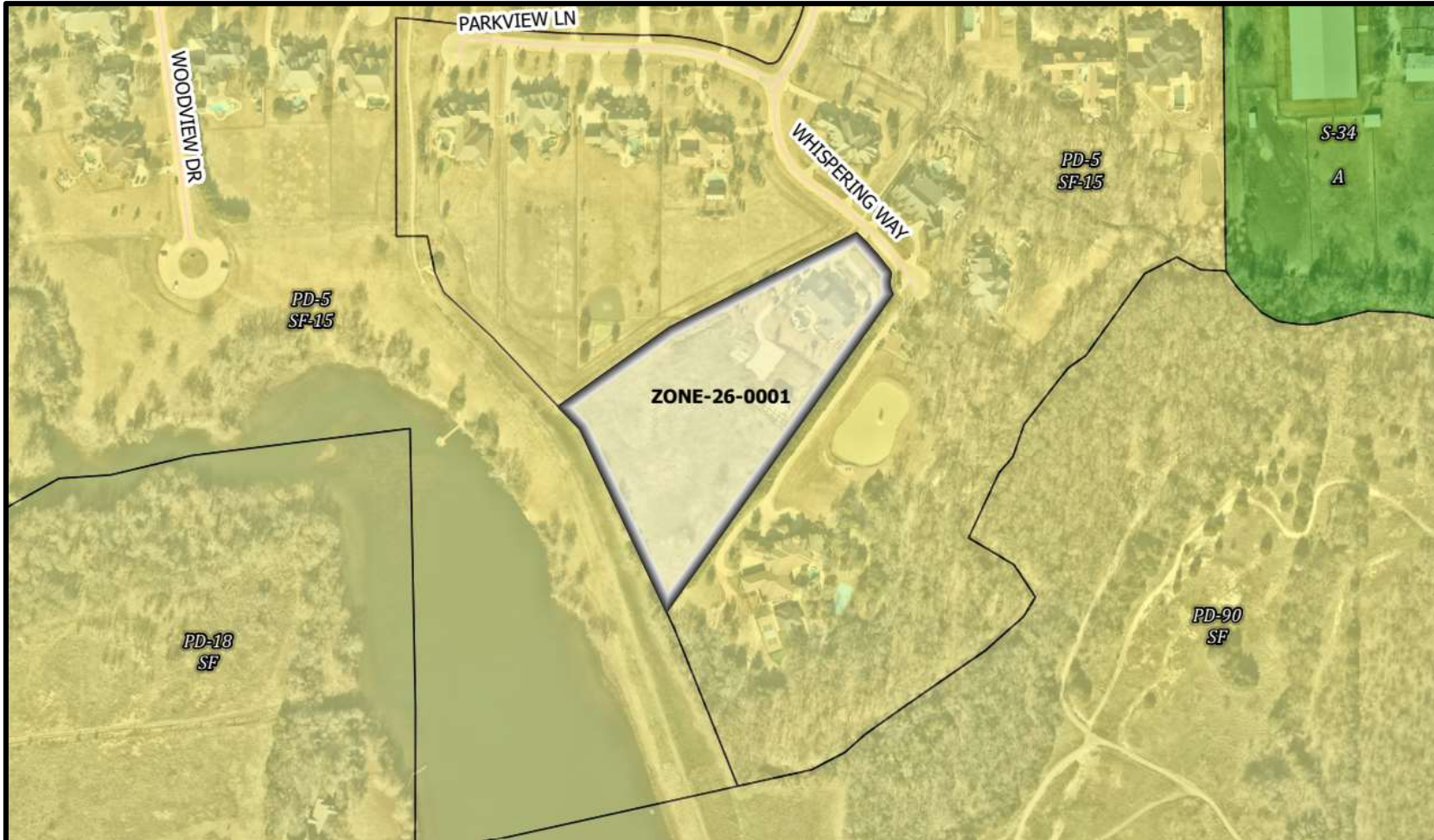
Zoning:

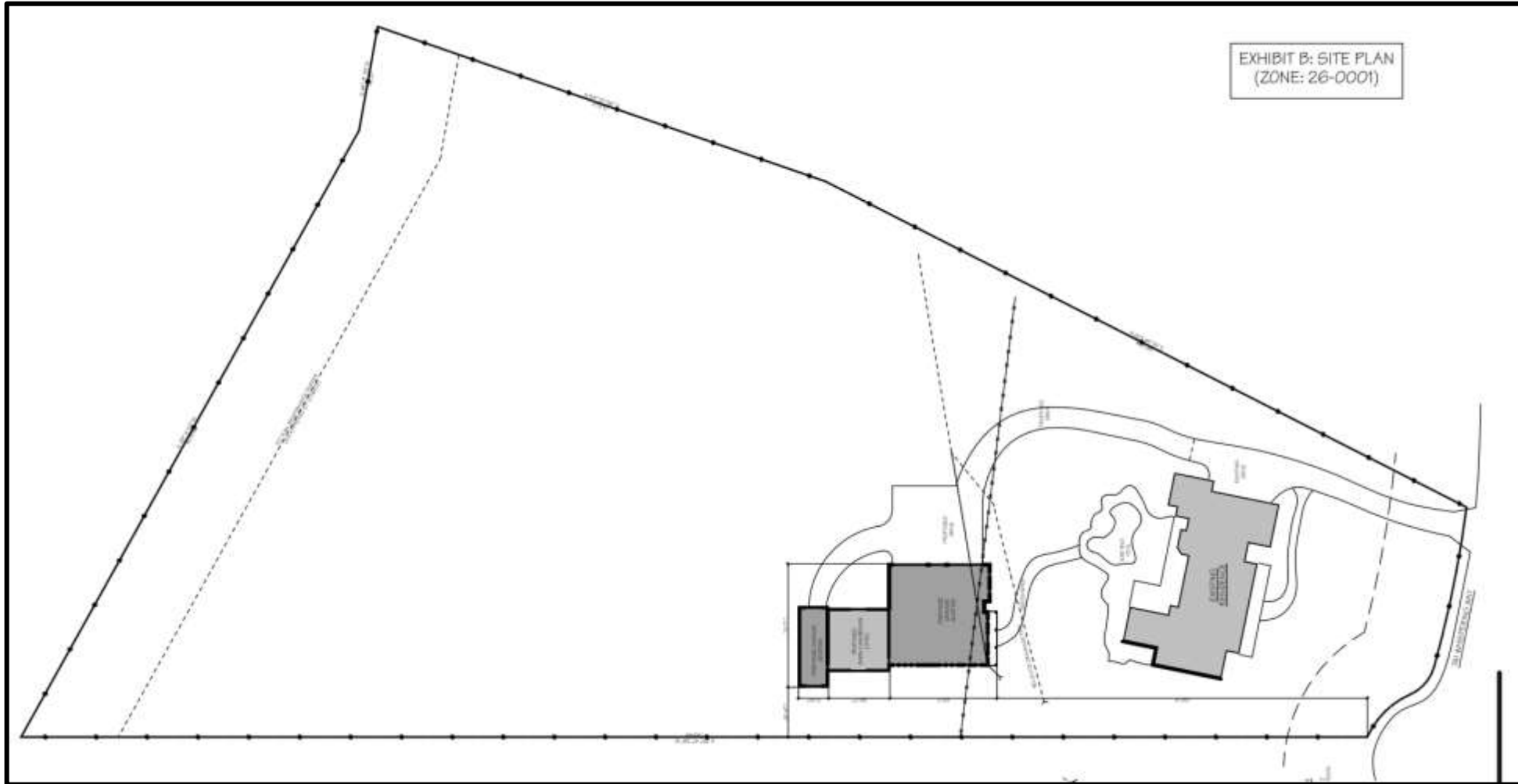
- Planned Development-5 allows for detached free standing garages with living quarters.
 - These structures are referred to as accessory buildings in the Planned Development.

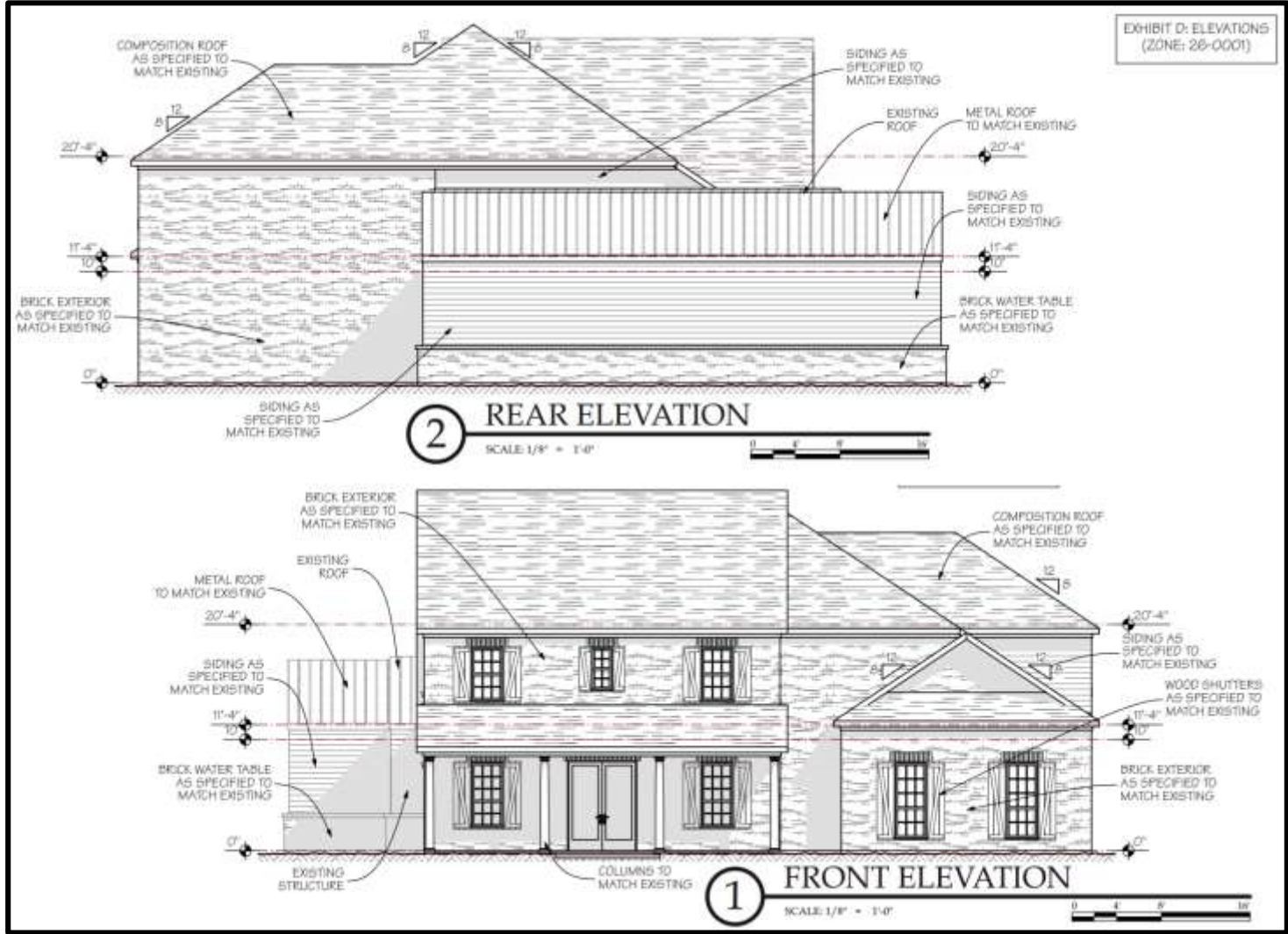


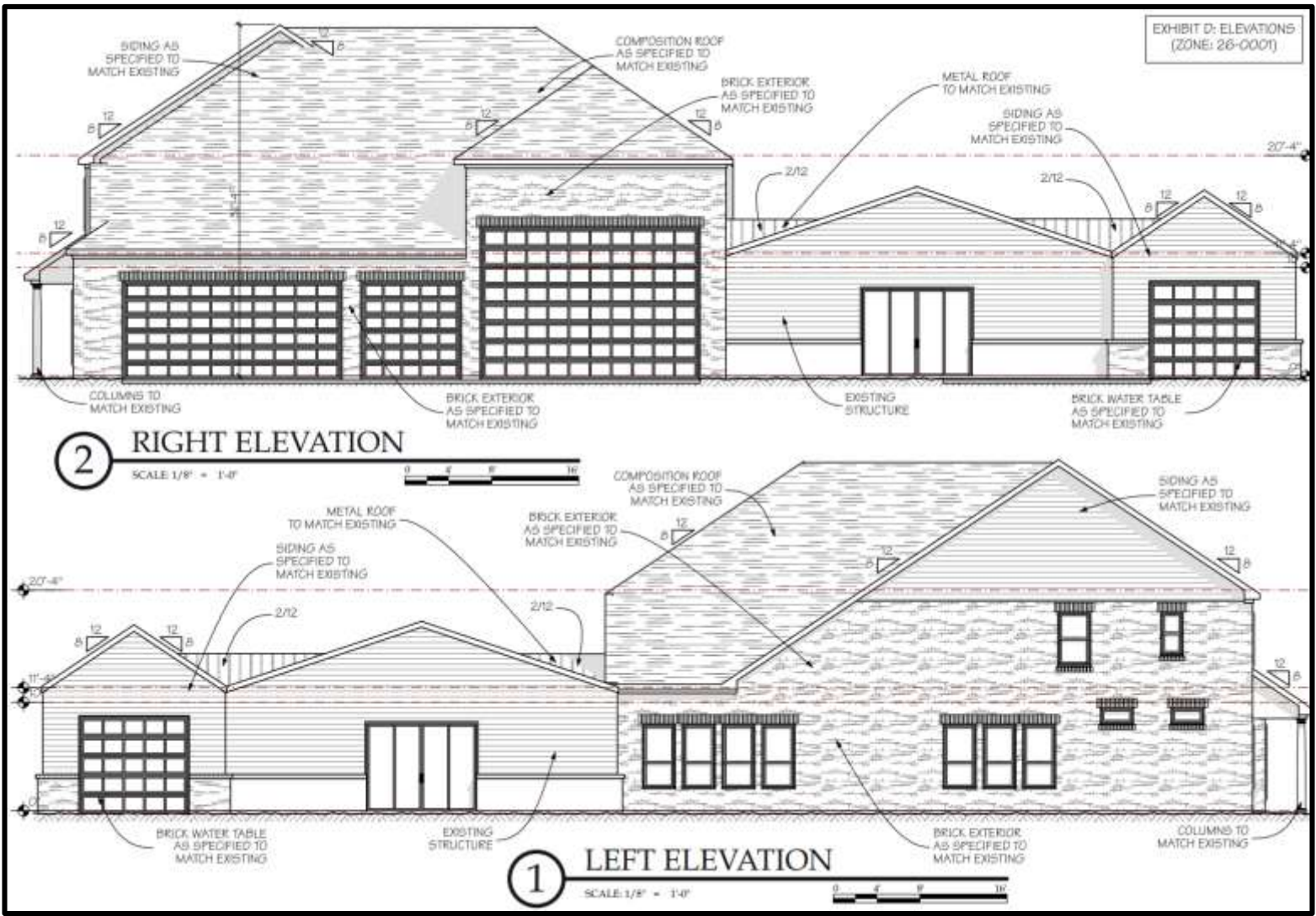
Surrounding Zoning

	Zoning	Current Land Use	Future Land Use Plan
Subject Property	Planned Development-5	Single-Family	Low Density Residential
North	Planned Development-5	Single-Family	Low Density Residential
East	Planned Development-5	Single-Family	Low Density Residential
South	Planned Development-5	Pond	Parks
West	Planned Development-5	Single-Family	Low Density Residential









Specific Use Permit Criteria

Criterion 1: Is the use harmonious and compatible with its surrounding existing uses or proposed uses?

- Yes, the use is harmonious and compatible with its surrounding existing uses and proposed uses because it is allowed within residential areas.*

Criterion 2: Are the activities requested by the applicant normally associated with the requested use?

- Yes, an accessory structure/guest house may be permitted on a single-family lot, per the Planned Development. Per the Town's Zoning Ordinance, accessory structures with living quarters or guest houses of a maximum area of 4,000 square feet can only be on lots that are one acre or larger. Due to the size of the lot being over five acres, having a larger sized accessory structure is not out of character.*

Specific Use Permit Criteria Cont.

Criterion 3: Is the nature of the use reasonable?

- *Yes, the nature of the use is reasonable as it is a permitted use in the zoning for the area.*

Criterion 4: Has any impact on the surrounding area been mitigated?

- *Yes, the impact on the surrounding area has been mitigated as the surrounding area as the applicant has received approval from the Whispering Farms Homeowner's Association for the structure.*

Closing

Noticing:

- Friday, February 20th
 - One Letter of Support

Recommendation:

- Approval (Town Staff)
- Approval (Planning & Zoning Commission) – **5-0**



Town Manager's Office

To: Mayor and Town Council

From: Mario Canizares, Town Manager's Office

Re: Adopting the Revised Town Council's Strategic Visioning Priorities
Town Council Meeting – March 10, 2026
Strategic Visioning Priority 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon adopting the revised Strategic Visioning Priorities of the Prosper Town Council.

Description of Agenda Item:

In April 2023 and again in May 2024, the Town Council formally adopted a set of priorities that would set the Strategic Vision for the next few years that included the following:

1. The Acceleration of Infrastructure.
2. The Development of Downtown Prosper as a Destination.
3. Ensuring that the Town's Commercial Corridors are Ready for Development.
4. Continue to Provide Excellence in Municipal Services.
5. Work towards a Growing and Diversified Tax Base.

While the overall five strategies did not change, the definitions contained within the strategies were modified to provide better clarity for the Council and staff.

As part of ongoing efforts to review and refine the goals within each priority, the Council held a work session in January 2026 with a facilitator to discuss and refine each. The outcome was to reposition the five top priorities as such:

1. Provide Excellent Municipal Services
2. Accelerate Infrastructure Delivery
3. Develop Downtown Prosper as a Destination
4. Ensure the Town's Commercial Corridors are Ready for Development
5. Grow and Diversify the Tax Base

The definitions contained within the strategies were modified and updated. Once these priorities are re-affirmed by the Town Council, the staff will update documents accordingly and will utilize these directives in building budgets and setting work plan priorities for the next few years.

Budget Impact:

There is no budgetary impact on this item.

Attached Documents:

1. Draft Strategic Visioning Priorities

Town Staff Recommendation:

Town Staff recommend adopting the amended Strategic Visioning Priorities as presented.

Proposed Motion:

I move to approve the Town Council's Strategic Visioning Priorities as presented.

TOWN COUNCIL STRATEGIC VISIONING PRIORITIES

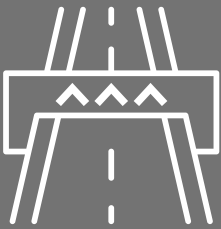
Item 19.

APPROVED BY THE TOWN COUNCIL ON MARCH 10, 2026



PROVIDE EXCELLENT MUNICIPAL SERVICES

- Strive to be a high-performing organization focused on continuous improvement, best practices, and benchmarking.
- Develop a culture of excellence and efficiently provide resources necessary to support these goals.
- Provide a professional environment for residents, visitors, and Town employees.



ACCELERATE INFRASTRUCTURE DELIVERY

- Work with the Capital Improvement Subcommittee to identify gaps in the Town's infrastructure and increase the number of shovel ready projects.
- Identify and address infrastructure gaps that limit development.
- Expedite the completion of projects focusing on concurrent activity when possible.



DEVELOP DOWNTOWN PROSPER AS A DESTINATION

- Collaborate with the Downtown Business Alliance, Community Engagement Committee, Downtown Advisory Committee, and direct the Prosper EDC to implement the Downtown Master Plan.
- Pursue a mix of public and private developments as catalysts for office, retail, restaurants, entertainment, housing, and outdoor events.



ENSURE THE TOWN'S COMMERCIAL CORRIDORS ARE READY FOR DEVELOPMENT

- Prioritize infrastructure investment to meet demand, using incentives when appropriate.
- Implement a corridor overlay for the Dallas North Tollway.
- Partner with Prosper EDC to develop and communicate a branding strategy to market the Dallas North Tollway corridor.



GROW AND DIVERSIFY THE TAX BASE

- Position Prosper as a center of excellence for healthcare, specifically as it relates to manufacturing, research and development.
- Proactively recruit businesses to the Town through the Prosper EDC that will broaden the commercial tax base and support long-term economic stability.